

Am. B. 3040

Proceedings

(267 2)

4.2.

INDEX

TO THE

REPORTS OF THE COMMITTEES

OF

THE SENATE OF THE UNITED STATES,

FOR THE

SECOND SESSION OF THE FORTY-SECOND CONGRESS.

1871-'72.

IN FOUR VOLUMES.

Volume 1 contains Nos. 6 to 232, inclusive, except Nos. 41, 183, and 227.

Volume 2 contains No. 41, Parts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13.

Volume 3 contains No. 183.

Volume 4 contains No. 227, Parts 1, 2, and 3.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1872.



INDEX

TO

THE REPORTS OF THE COMMITTEES

OF THE

SENATE OF THE UNITED STATES

FOR THE

SECOND SESSION FORTY-SECOND CONGRESS.

1871-1872.

Subject.	Vol.	No.
A.		
A 1. On the bill (S. 196) for the relief of the owners of bark.....	1	92
Abbott. On the memorial of Joseph C.....	1	58
Adams. On the bill (H. R. 2046) for the relief of Theodore.....	1	118
Alcorn. On the petition of William.....	1	152
Allen & Co. On the memorial of D. B.....	1	12
Allen. On the bill (S. 426) for the relief of Thomas.....	1	47
Arkansas. Report of the Committee on Southern Outrages, presenting certain testimony given before their committee, and affecting the standing of one of the Senators and certain members of the House of Representatives from.....	1	21
Army. On Senate bill No. 260, with the petition of loyal citizens of Loudoun County, Virginia, praying compensation for property destroyed by fire, and for live stock taken for the use of the.....	1	80
Armstrong. On the petition of Mary. (To accompany bill S. 879).....	1	89
Arms by Ordnance Department. On the sale of.....	3	183
B.		
Bailey. On the bill (H. R. 1288) for the relief of Sluman S.....	1	115
Baker, of Saint John's, Michigan. On the petition and papers for the relief of Timothy. (To accompany bill S. 956).....	1	130
Baker. On the bill (H. R. 112) for the relief of G. S.....	1	63
Bark A 1. On the bill (S. 196) for the relief of the owners of.....	1	92
Barr. On Senate bill 835, for the relief of Cecelia.....	1	122
Barker. On the bill (H. R. 1564) for the relief of William F.....	1	194
Batelle & Evans. On the bill (H. R. 1700) for the relief of.....	1	117
Best. On the petition of Dr. J. Milton.....	1	9
Bestor. On the petition of George C. (To accompany bill S. 107).....	1	36
Bills for raising revenue. In relation to the prerogative of the House to originate.....	1	146
Bitter Root Valley, in the Territory of Montana. On the bill (H. R. 2623) to provide for the removal of the Flathead and other Indians....	1	197
Black, and Albert R. Cooper. On the bill (H. R. 887) for the relief of Samuel.....	1	212
Blake. On the bill (S. 952) to advance Horner C.....	1	165
Blanchard. On the memorial of William. (To accompany bill S. 674)...	1	42

Subject.	Vol.	No.
Blood. On the petition of Caleb H.....	1	149
Blodgett. On the credentials of Foster.....	1	10
Boehmler. On the bill (S. 884) for the relief of the sureties of Frederick.	1	191
Bonds burned in Spitzendorf, Germany. On the petition in relation to certain. (To accompany bill S. 1071).....	1	691
Boswell. On the petition of Benjamin Cooley and James W. (To accompany bill S. 911).....	1	107
Botts, Rosalie S. Lewis, Isabella McLean Lewis, and Mary Minor Hoxsey, heirs-at-law of John Minor Botts. On the petition of Beverly M. (To accompany bill S. 760).....	1	68
Boyle. On the memorial of Ann E.....	1	53
Braine. On the claim of Commodore D. L. (To accompany bill S. 1062).	1	163
Braden. On the bill (S. 166) for the relief of David.....	1	154
Broadus. On the memorial of William.....	1	83
Brossman. On the petition of Mrs. E. J.....	1	71
Brown. On the petition of John B. Wolf and Jacob H.....	1	65
Brown. On the memorial of D. Jay. (To accompany bill S. 197).....	1	57
Buchanan. On the memorial of Mrs. F. Selina. (To accompany bill S. 1106).....	1	182
C.		
Caldwell, of Kansas. On the election of Senator Alexander.....	1	224
Calvert. On the bill (S. 1162) for the relief of Dr. Edward N.....	1	211
Cameron and Emma S. Cameron. On the petition and papers of James. (To accompany bill S. 953).....	1	128
Campbell. On the bill (S. 352) for the relief of Benjamin H.....	1	16
Campbell. On the bill (S. 752) granting a pension to Peter.....	1	156
Carondelet, now merged in the city of Saint Louis. On the petition of the city of. (To accompany bill S. 420).....	1	24
Carbaugh. On the bill (S. 989) granting a pension to John.....	1	136
Chilty. On the petition of Mrs. E. J. Brossman, requesting the refunding of certain taxes paid to Captain F. J. P.....	1	71
Claims of certain northern creditors. On the bill (S. 160) relative to the.	1	86
Clark, widow of Leonard Clark. On the petition of Mary M. (To accompany bill S. 230).....	1	27
Clayton. On the investigation of certain charges against the Hon. Powell.....	1	232
Cochran. On the bill (H. R. 2900) for the relief of Silas D.....	1	230
Cole. On the bill (S. 94) for the relief of Miss Keturah.....	1	26
Colledge. On the memorial of William H. (To accompany bill S. 200).....	1	56
Comparet. On the petition of Theodore S. (To accompany bill S. 494).	1	18
Constitution. On the resolution of the House of Representatives in relation to the true intent and purpose of that clause of the, which requires that all bills for raising revenue shall originate in the House of Representatives.....	1	146
Contractors for the construction of vessels of war. On the bill (S. 134) for the relief of certain.....	1	37
Cooley and James W. Boswell. On the petition of Benjamin. (To accompany bill S. 911).....	1	107
Cooper. On the bill (H. R. 2417) granting a pension to Abraham.....	1	190
Cooper. On the bill (H. R. 887) for the relief of Samuel Black and Albert R.....	1	212
Correspondence by telegraph and to connect the telegraph with the postal service. On the bill (S. 341) to reduce the rates of.....	1	20
Cowan and Dickinson. On the bill (S. 96) for the relief of.....	1	85
Cowper. On the memorial of L. C. P.....	1	148
Cuba. On the bill (S. 706) to authorize the continuance of mail-steamship service between the United States and.....	1	168
Curtis. On the memorial and papers for the payment of vouchers at Lawrence, Kansas, for the erection of works of defense, under the command of Major General. (To accompany bill S. 807).....	1	74
D.		
Dailey. On the claim of J. and C. M. (To accompany bill S. 868).....	1	81
Davis. On bill (S. No. 451) for the relief of Jefferson W.....	1	23

Subject.	Vol.	No.
Dimpfel. On the petition of Frederick P. (To accompany bill S. 156)...	1	35
Dock and building yards. (See <i>International Steamship Company</i>).....	1	179
Dunlap. On bill (S. 599) granting a pension to Julia Belle	1	198
Durfee & Peck. On the claims of Messrs. (To accompany bill S. 1088)...	1	176
E.		
East Tennessee University. On bill (S. 490) for the relief of the.....	1	17
Ellison. On the petition of James M.	1	119
Emerson. On the memorial of John B. (To accompany bill S. 138).....	1	39
F.		
Farrell, of Peoria, Illinois. On bill (H. R. 1942) for the relief of D. C.	1	134
Female suffrage. Report of the Committee of the Judiciary relative to the fifteenth amendment.....	1	21
Flathead, and other Indians from the Bitter-Root Valley. On bill (H. R. 2623) to provide for the removal of the.....	1	197
Fowle. On the memorial of Joseph W. (To accompany bill S. 646).....	1	70
Franks. On the petition of Margaret B. (To accompany bill S. 983).....	1	133
Frank. On the claim of Julius.....	1	98
Freshour. On the bill (H. R. 1816) for an increase of pension to William.	1	220
French Arms Investigation. Report of Select Committee on the.....	1	183
G.		
Galpin. On the bill (S. 103) for the relief of Henry N.	1	163
Garrard and others. On the memorial of T. T. (To accompany bill S. 161)	1	50
Gates. On the bill (H. R. 1944) for the relief of Edward T.	1	150
Gerry. On the petition of Elbridge. (To accompany bill S. 636)	1	38
Gibbons, sr. On the petition of Francis A. (To accompany bill S. 873)...	1	108
Gibson. On the bill (H. R. 2397) granting a pension to Margaret C.	1	180
Gilmer. On the memorial of Lizzie. (To accompany bill S. 610).....	1	32
Goodrich. On the petition of Reuben. (To accompany bill S. 990).....	1	137
Grant & Co. On the claim of A.	1	167
Gray. On the bill (H. R. 895) granting a pension to Hannah.....	1	67
Green. On bill (H. R. 639) for the relief of Jane A.	1	173
H.		
Hardie. On bill (S. 807) with extracts from the report of Brevet Major General	1	74
Harper, of Houston, Texas. On the petition of Samuel	1	28
Harrison. On the bill (S. 217) for the relief of Rebecca S.	1	189
Harrold. On the petition of James A.	1	125
Hedley. On the petition of Edward.....	1	142
Hepburn. On the memorial of Phoebe. (To accompany bill S. 201)	1	46
Hess. On the petition of Bernard.....	1	147
Hester. On the petition of John D.	1	52
Hipkins. On the petition of John A.	1	215
Hollis. On the bill (S. 1042) for the relief of Thomas.....	1	192
House of Representatives in relation to the prerogative of the House to originate bills for raising revenue. Report of the Committee on Priv- ileges and Elections on the resolution of the.....	1	146
Hunter. On bill (H. R. 1198) granting a pension to Ann.....	1	155
Hutchison. On the petition of Cicero Sims, guardian of William.....	1	129
I.		
Ingersoll & Graham. On the bill (S. 355) referring the claim of.....	1	151
Internal taxes, and for other purposes. On bill (S. 362) to reduce.....	1	11
International Steamship Company, for creating dock and building-yards. Letter of the Secretary of the Navy recommending the proposals of the. (To accompany bill S. 1098).....	1	179
Invalid pensioners. On the bill (H. R. 991) for the relief of certain.....	1	208

Subject.	Vol.	No.
J.		
Jackson, of Tennessee. On the bill (H. R. 2042) for the relief of Fannie M.....	1	116
Jaquess. On the bill (S. 59) authorizing the Secretary of the Treasury to settle and pay the accounts of Colonel James F.....	1	64
Johnson & Co. On the petition of Lewis. (To accompany bill S. 204)..	1	76
Joy. On the petition of James F. (To accompany bill S. 554)	1	90
Jones. On the petition of George W.....	1	100
Juniata County, Pennsylvania, praying Congress to allow a pension to John Carbaugh. On the petition of citizens of.....	1	136
K.		
Kearsarge. On bill (S. 579) for the relief of the officers and crew of the United States steamer	1	40
Kelly. On the petition of Mrs. Fanny. (To accompany bill S. 13).....	1	71
Kirk. On bill (H. R. 2255) for the relief of W. H.....	1	195
Kleinman. On the petition of David.....	1	169
Ku-Klux conspiracy. (See <i>Southern Outrages.</i>)		
L.		
Lanman. On the petition of Rear-Admiral Joseph. (To accompany bill S. 164).....	1	159
Langford. On the bill (S. 744) for the relief of Wm. G.....	1	196
Lathrop. On the petition of Elizabeth S.....	1	110
Lawrence, Kansas, for the erection of works of defense. On the memorial and papers for the payment of vouchers at. (To accompany bill S. 807)	1	74
LeCaze & Mallet. On the petition of Frederick Mallet, administrator of James Le Caze, surviving partner of.....	1	144
Lee. On bill (H. R. 892) granting a pension to Margaret.. ..	1	109
Levees on the Mississippi River. On the.....	1	170
Lewis, Isabella McLean Lewis, and Mary Minor Hoxsy, heirs-at-law of John Minor Botts. On the petition of Beverly M. Botts. Rosalie S. (To accompany bill S. 760).....	1	68
Lewis. On the bill (S. 95) for the relief of Minerva.....	1	93
Lewis Johnson & Company. On the petition of. (To accompany bill S. 204).....	1	76
Lockwood. On bill (S. 241.) For the relief of Chauncy M.....	1	49
Loudoun County, Virginia. On Senate bill 260, with the petition of loyal citizens of.....	1	80
Lowry. On the memorial of Robert. (To accompany bill S. 929).....	1	113
M.		
Mail steamship service between San Francisco and China. On bill S. 470.) Authorizing an increase of United States.....	1	33
Mail steamship service between the United States and Australia. On bill S. 49.) Authorizing the establishment of ocean.....	1	19
Mail steamship service between the United States and Mexico. On bill (S. 507.) Authorizing the establishment of ocean.....	1	48
Mail steamship service between the United States and Cuba. On Senate bill 706, to authorize the continuance of.....	1	168
Marks. On the bill (H. R. 2777.) For the relief of the sureties of S. F..	1	229
Mason. On the petition of John Thompson.....	1	30
Mason. On the petition and papers of John Thompson.....	1	72
Merchant & Co. On bill (S. 199) for the relief of L.. ..	1	94
Merchant & Co. On the memorial of L.....	1	103
Michigan and Indiana. On the petition of the Pottawatomie Indians remaining in.....	1	121
Military reservation at Point San José. On the bill (S. 755) for the relief of the former occupants of the present	1	114
Millin. On the petition of A. Gordon. (To accompany bill S. 1074).....	1	171
Miller. On the bill (H. R. 1865) for the relief of the sureties of James T.....	1	228

Subject.	Vol.	No.
Milone. On the Senate bill 720. For the relief of John.....	1	139
Milwaukee, for increase of pensions to those who are totally disabled. On a petition adopted at a public meeting in.....	1	111
Mitchell. On bill (S. 414) for the relief of William S.....	1	217
Mitchell. On the bill (H. R. 1551) for the relief of S. B. George, and John W.....	1	166
Mississippi River. On the levees of the.....	1	170
McCormick. On the petition of Mrs. Elizabeth B.....	1	188
McDonald. On bill (H. R. 2339.) Granting a pension to Ada H.....	1	175
McLeod. On bill (S. 1017) for the relief of Alex.....	1	218
McMullin. On the petition of Mary J.....	1	101
McQuown. On the petition of Dr. John H. (To accompany bill H. R. 2032).....	1	123
Morey. On bill (S. 761) granting a pension to Robert A.....	1	157
Morris. On the petition of James.....	1	138
Morrison. On the bill (S. 526) for the relief of Ambrose.....	1	126
N.		
Navy pension fund. On bill (S. 162) to refund certain moneys now stand- ing to the credit of the.....	1	120
Nevada, asking for an appropriation of \$6,000 to compensate J. A. Thompson for carrying the United States mail from Placerville, Cali- fornia, to Carson Valley, in Utah Territory. Resolution of the State of. (To accompany bill S. 806).....	1	73
Nevada, asking an appropriation. On the petition and papers of the State of. (To accompany bill S. 1089).....	1	177
New York Custom-House Investigation. Report of the Committee on Investigation and Retrenchment, relative to the.... (parts 1, 2, and 3)	4	227
Nixon, of West Virginia. On bill (S. 518) for the relief of Wm.....	1	31
Northern creditors. On the bill (S. 160) relative to claims of certain....	1	86
"Norton post-marking and postage-canceling machine," now in use by the Post-Office Department. In relation to the.....	1	186
Norwood. On the credentials of Thomas M.....	1	10
O.		
Ojibway. A bill to establish the Territory of. (To accompany bill S. 360).....	1	34
Otis, of Indiana. On bill for the relief of William Henry. (To accom- pany bill S. 97).....	1	43
P.		
Palmer's name above that of Doctor Ninian Pinkney. Relative to plac- ing Doctor James C.....	1	172
Parish & Co. On the memorial of J. W. (To accompany joint resolution S. 159).....	1	55
Pensions to those who are totally disabled. On a petition signed at a public meeting in Milwaukee, for an increase of.....	1	111
Pensioners. On the bill (H. R. 991) for the relief of certain invalid....	1	208
Phelps. On the petition of Harlow J. (To accompany bill S. 485).....	1	82
Pinkney. Relative to placing Doctor James C. Palmer's name above that of Doctor Ninian.....	1	172
Placerville, California, to Carson Valley, in Utah Territory. On the re- solution of the State of Nevada, asking for an appropriation of \$6,000 to compensate J. A. Thompson for carrying the United States mail from. (To accompany bill S. 806).....	1	73
Plunkett. On the bill (H. R. 435) to authorize the restoration of George.....	1	77
Point San José. On the bill (S. 755) for the relief of the former occu- pants of the present military reservation at.....	1	114
Pomeroy, by the legislature of Kansas in 1867. On the election of Sena- tor, S. C.....	1	224
Pond. On the memorial of Mrs. Harriet W. (To accompany bill S. 1161).....	1	210
Post-Office Department. In relation to the "Norton post-marking and postage-canceling machine" now in use by the.....	1	186

Subject.	Vol.	No.
Pottawatomie Indians remaining in Michigan and Indiana. On the petition of the. (To accompany bill S. 944).....	1	121
Potts. On the memorial of John. (To accompany bill S. 908).....	1	104
Power. On the petition of Jacob P.....	1	60
Powell. On the petition of Levi J. (To accompany bill S. 1172).....	1	219
Pratt. On the petition of Milo. (To accompany bill S. 895).....	1	96
Pugh. On the bill (H. R. 2418) granting a pension to Nancy E.....	1	200
R		
Ransom, as a Senator from the State of North Carolina. On the resolution in regard to the pay of the Hon. Matt W.....	1	226
Recusant witnesses. (See <i>Southern Outrages</i> .)		
Red Bear, a chief of the Pembina band of Chippewa Indians. On Senate bill No. 788, for the relief of.....	1	112
Redd. On the memorial of Thomas M. (To accompany bill S. 692).....	1	51
Reeves. On the petition of Mrs. Annie Dorsey.....	1	153
Reinfort. On the bill (H. R. 2416) granting a pension to Andrew.....	1	199
Revenue. Report of the Committee on Privileges and Elections on the resolution of the House of Representatives in relation to the prerogative of the House to originate bills for raising.....	1	146
Reynolds. On bill (S. 670) for the relief of Benjamin W.....	1	141
Roberts. On the memorial of Brevet Brigadier General B. S.....	1	99
Roberts. On the petition of Manuel.....	1	158
Rogers. On the petition for the relief of C. E. (To accompany bill S. 750).....	1	62
Ropes & Co., and other importers of Boston, for refund of duties on Russia hemp. On the application of William.....	1	87
Views of the minority..... (part 2)	1	87
Rose. On bill (S. 858) granting a pension to John B.....	1	181
Rose. On the petition of Leonard J.....	1	207
Russell. On the petition of Dr. Leonidas.....	1	8
Russia and the United States. On the application of William Ropes & Co., for refund of duties on Russia hemp, in violation of treaty stipulations between the Empire of.....	1	87
Views of the minority..... (part 2)	1	87
S.		
Sabin. On the bill (S. 1151) for extension of patent to Henry W.....	1	209
San Francisco and China. On bill (S. 470) authorizing an increase of United States mail-steamship service between.....	1	33
Sarvant. On the petition of Sarah.....	1	13
Scott and others. On the memorial of John M. (To accompany bill S. 749).....	1	61
Scott. On the bill (H. R. 1197) granting a pension to Captain Henry M.....	1	88
Secretary of the Navy, recommending the proposals of the International Steamship Company for creating dock and building yards. Letter of the. (To accompany bill S. 1098).....	1	179
Segar. On the claims of Joseph. (To accompany bill S. 889).....	1	95
Sheridan. On Senate bill No. 260, with the petition of loyal citizens of Loudoun County, Virginia, praying compensation for property destroyed by fire, and for live-stock taken for the use of the Army, or sold for the benefit of the United States, by order of General.....	1	80
Sims, guardian of William Hutchison. On the petition of Cicero. (To accompany bill S. 954).....	1	129
Sioux Indians in Minnesota. On the claim of J. and C. M. Dailey for goods and provisions furnished the. (To accompany bill S. 868).....	1	81
Smith and Halcyon Skinner. On bill (S. 476) for the extension of letters-patent to Alexander.....	1	22
Smith. On the claim of John W.....	1	131
Smith. On bill (S. 79) for the relief of Dudley D.....	1	97
Southern outrages. Relative to certain recusant witnesses.....	1	6, 7
Report of the majority and minority of the committee on... (part 1)	2	41
relative to North Carolina and report of trials at Raleigh. (part 2)	2	41
in relation to South Carolina..... (parts 3, 4, 5)	2	41

Subject.	Vol.	No.
Southern outrages.		
in relation to Georgia (parts 6, 7)	2	41
in relation to Alabama (parts 8, 9, 10)	2	41
in relation to Mississippi (parts 11, 12)	2	41
in relation to Florida (part 13)	2	41
Spencer. On the petition of Charles and Henry W. (To accompany bill S. 687).....	1	45
Spencer. On bill (H. R. 1274) for the relief of Thomas F.....	1	204
Spitzendorf, Germany. On the petition in relation to certain United States bonds burned in. (To accompany bill S. 1071).....	1	169
Spring, of Waterville, Maine. On the petition of Sarah L. (To accompany bill S. 905)	1	102
Stafford. On the memorial of Sarah S. (To accompany bill S. 1060)....	1	164
Stevens. On bill (H. 1565) for relief of Naomi	1	135
Saint Louis. On bill (H. R. 1209) also bill (S. 474) granting a pension to George J.....	1	69
T.		
Tariff. (See <i>Revenue</i>)	1	146
Taxes. (See <i>Revenue</i>)	1	146
Taylor. On bill (H. R. 2400) granting a pension to William B.....	1	174
Taylor. On the memorial of the legal representatives of Colonel Francis and Dr. Charles. (To accompany bill S. 1188).....	1	225
Tea and coffee. Bill to repeal existing duty on. On the resolution of the House of Representatives in relation to the prerogative of the House to originate bills for raising revenue.....	1	146
Telegraph with the postal service. On bill (S. 341) to reduce the rates of correspondence by telegraph and to connect the.....	1	20
Telegraph system of the United States. On that portion of the President's message that relates to the	1	223
Tennessee, praying an appropriation to the State for materials belonging to the Winchester and Alabama Railroad, used by the Government during the late war. On the memorial of the governor of the State of	1	202
Territory of Ojibway. A bill (S. 360) to establish the.....	1	34
Thomas. On the petition of Caleb White and Bettie A	1	84
Thompson for carrying the United States mail from Placerville, California, to Carson Valley, Utah Territory. Resolution of the State of Nevada, asking for an appropriation of \$6,000 to compensate J. A. (To accompany bill S. 806).....	1	73
Thompson. On the petition of Fannie A. (To accompany bill S. 1177)	1	221
Trapp. On the petition of Sarah S. (To accompany bill H. R. 924)....	1	185
Turner. On bill (S. 409) for the relief of Rear-Admiral Thomas.....	1	132
Tyler. On the petition of Horace. (To accompany bill S. 686)	1	44
U.		
Underhill. On the claim of J. S. (To accompany bill H. R. 2050).....	1	222
United States Express Company. On the petition of the. (To accompany bill S. 603)	1	29
United States and Brazil Mail Steamship Company. On the memorial and supplementary memorial of the. (To accompany bill S. 1032)....	1	160
United States and Cuba. On bill (S. 706) to authorize the continuance of mail-steamship service between the	1	168
Utlely. On the memorial of William L. (To accompany bill S. 1090)...	1	178
V.		
Van Etten. On the petition of Simon	1	106
Vessels of war and steam machinery. On bill (S. No. 134) for the relief of certain contractors for the construction of.....	1	37
Vickers, a Senator from Maryland. On the communication of Hon. George	1	231
Vincent. On the petition of Frederick. (To accompany bill S. 1020)....	1	144

Subject.	Vol.	No.
W.		
Wallace. On bill (S. 569) and petition of Thomas B.	1	124
Ward. On the letter of the Secretary of War, submitting the claim of S. E.	1	206
Wardwell. On the bill (H. R. 904) for the relief of Charles P. S.	1	75
Warren & Moore. On the bill (S. 198) for the relief of.	1	162
Waymire. On the petition of James A. (To accompany bill S. 841).	1	78
West. On bill (H. R. 1261) for the relief of Thomas D.	1	203
Wheaton. On the memorial of Lieutenant Joseph. (To accompany bill S. 909)	1	105
Whitaker. On the bill (H. R. 1945) for the relief of E. W.	1	187
White and Bettie A. Thomas. On the petition of Caleb.	1	84
Whiting. On the bill (H. R. 1073) granting a pension to Sarah.	1	91
Wicks. On the petition of John G.	1	14
Wieland. On bill (S. 514) for the relief of Albert.	1	25
Wiggins, of Keokuk. On bill (S. 377) for the relief of the legal representatives of George T.	1	127
Wilmington and Manchester Railroad Company. On bill (S. 882) to authorize the settlement of the claim of the	1	140
Wilson. On the bill (S. 1076) for the relief of George R.	1	184
Winchester and Alabama Railroad, used by the Government during the late war. On the memorial of the governor of the State of Tennessee, praying an appropriation to the State for materials belonging to the..	1	202
Wing. On the bill (H. R. 2429) granting a pension to Sarah P.	1	213
Winona and Saint Peter's Railroad Company. On bill (S. 710) to refund certain duties paid by the.	1	59
Winter. On the petition of Elizabeth.	1	66
Wolf and Jacob H. Brown. On the petition of John B.	1	65
Woodhouse, Southmayd, and Rudd. On the memorial of Messrs.	1	216
Woodyard. On the bill (H. R. 114) for the relief of the heirs of Lieutenant Colonel Humphrey M.	1	214
Woolum. On the bill (S. 667) for the relief of Elijah J.	1	143
Wright. On the bill (S. 664) for the relief of David L.	1	205
Wyoming. On bill (S. 291) for the relief of the officers and crew of the United States ship.	1	54
Wyoming. On the bill (S. 291) for the relief of the officers and crew of the United States ship.	1	201

TABLE
OF
THE REPORTS OF THE COMMITTEES
FOR THE
SECOND SESSION FORTY-SECOND CONGRESS.

Subject.	Vol.	No.
REPORTS MADE BY THE COMMITTEE ON PRIVILEGES AND ELECTIONS.		
On the credentials of Foster Blodgett and Thomas M. Norwood.....	1	10
On the memorial of Joseph C. Abbott.....	1	58
On the resolutions of the House of Representatives of April 2, 1872, relative to its exclusive prerogative to originate bills for raising revenue..	1	146
In relation to the election of Senators S. C. Pomeroy and Alexander Caldwell	1	224
On the resolution offered by Senator Bayard, from Delaware.....	1	226
On the communication of Hon. George Vickers, a Senator from Maryland..	1	231
REPORT MADE BY THE COMMITTEE ON FOREIGN RELATIONS.		
On the memorial of William Blanchard.....	1	42
REPORTS MADE BY THE COMMITTEE ON FINANCE.		
On the bill (S. 362) to reduce internal taxes.....	1	11
On the petition of Samuel Harper	1	28
On the petition of John Thompson Mason.....	1	30
On the bill (S. 710) to refund certain duties paid by the Winona and Saint Peter's Railroad Company	1	59
On the petition of Mrs E. J. Brossman.....	1	71
On the petition of John Thompson Mason.....	1	72
On the application of William Ross & Co. for refund of duties	1	87
Minority report on same, part 2	1	87
On petition that certain United States bonds burned in Spitzendorf, Germany, may be re-issued.....	1	169
REPORT MADE BY THE COMMITTEE ON COMMERCE.		
On that portion of the President's message that relates to the telegraph system of the United States.....	1	223
REPORTS MADE BY THE COMMITTEE ON MILITARY AFFAIRS.		
On the bill (S. 490) for the relief of the East Tennessee University.....	1	17
On the memorial and papers for the payment of vouchers at Lawrence, Kansas, for the erection of works of defense	1	74
On the bill (S. 755) for the relief of the former occupants of the present military reservation at Point San José, in the city and county of San Francisco	1	114
On the memorial of Mrs. Harriet W. Pond	1	210

Subject.	Vol.	No.
REPORTS MADE BY THE COMMITTEE ON NAVAL AFFAIRS.		
On the petition of George C. Bestor	1	36
On the bill (S. 134) for the relief of certain contractors for the construction of vessels of war and steam machinery	1	37
On the bill (S. 579) for the relief of the officers and crew of the United States steamer Kearsarge	1	40
On the bill (S. 291) for the relief of the officers and crew of the United States ship Wyoming	1	54
On the bill (H. R. 435) to authorize the restoration of George Plunkett to his original rank as paymaster in the United States Navy	1	77
On the bill (S. 835) for the relief of Cecilia Barr	1	122
On the bill (S. 409) for the relief of Rear-Admiral Thomas Turner	1	132
On the petition of Rear-Admiral Joseph Lanman	1	159
On the claim of Commander D. L. Braine	1	163
On the bill (S. 952) to advance Homer C. Blake	1	165
On the placing of Dr. James C. Palmer's name above that of Dr. Ninian Pinkney, as surgeon in the Navy	1	172
On the memorial of Mrs. F. Selina Buchanan	1	182
On the bill (S. 1076) for the relief of George R. Wilson	1	184
On the bill (S. 291) for the relief of the officers and crew of the United States ship Wyoming	1	201
On the claim of J. S. Underhill	1	222
REPORTS MADE BY THE COMMITTEE ON THE JUDICIARY.		
On the bill (S. 352) for the relief of Benjamin H. Campbell	1	16
On the memorial of Elizabeth Cady Stanton and others	1	21
On the petition of James F. Joy	1	90
REPORTS MADE BY THE COMMITTEE ON POST-OFFICES AND POST-ROADS.		
On the memorial of D. B. Allen & Co	1	12
On the bill (S. 341) to reduce the rates of correspondence by telegraph and to connect the telegraph with the postal service	1	20
On the bill (S. 514) for the relief of Albert Wieland	1	25
On the bill (S. 518) for the relief of William Nixon	1	31
On the memorial of Lizzie Gilmer	1	32
On the bill authorizing an increase of United States mail-steamship service between San Francisco and China	1	33
On the bill (S. 507) to authorize the establishment of ocean mail-steamship service between the United States and Mexico	1	48
On the bill (S. 241) for the relief of Chauncy M. Lockwood	1	49
On the petition for the relief of C. E. Rogers	1	62
On the resolution of the State of Nevada asking for an appropriation of six thousand dollars to compensate J. A. Thompson for carrying the United States mail	1	73
On the petition of Benjamin Cooley and James W. Boswell	1	107
On the petition for the relief of Timothy Baker	1	130
On the bill (S. 720) for the relief of John Milone	1	139
On the bill (S. 667) for the relief of Elijah J. Woolum	1	143
On the memorial of the United States and Brazil Mail-Steamship Company	1	160
On the bill (S. 706) to authorize the continuance of mail-steamship service between the United States and Cuba	1	168
On the bill (S. 213) authorizing the Postmaster-General to continue in use in the postal service of the United States a machine for post-marking and for the cancellation of postage-stamps	1	186
On the bill (S. 884) for the relief of the sureties of Frederick Boehmler ..	1	191
On the bill (S. 1042) for the relief of Thomas Hollis	1	192
On the bill (S. 103) for the relief of Henry N. Galpin	1	193
On the bill (H. R. 1564) for the relief of William F. Barker	1	194
On the bill (H. R. 2255) for the relief of W. H. Kirk	1	195
REPORT MADE BY THE COMMITTEE ON PUBLIC LANDS.		
On the bill (S. 670) for the relief of Benjamin W. Reynolds	1	141

Subject.	Vol.	No.
REPORTS MADE BY THE COMMITTEE ON PRIVATE LAND CLAIMS.		
On the petition of the city of Carondelet.....	1	24
On the memorial of John M. Scott and others.....	1	61
REPORTS MADE BY THE COMMITTEE ON INDIAN AFFAIRS.		
On the petition of Elbridge Gerry.....	1	38
On the petition of Mrs. Fanny Kelly.....	1	79
On the claim of J. and C. M. Dailey.....	1	81
On the bill (S. 788) for the relief of Red Bear, a chief of the Pembina band of Chippewa Indians.....	1	112
On the petition of the Pottawatomie Indians.....	1	121
On the claims of Messrs. Durfee & Peck.....	1	176
On the bill (S. 744) for the relief of William G. Langford.....	1	196
On the bill (H. R. 2623) to provide for the removal of the Flathead and other Indians.....	1	197
On the petition of Leonard J. Rose.....	1	207
REPORTS MADE BY THE COMMITTEE ON PENSIONS.		
On the petition of Sarah Sarvant.....	1	13
On the petition of John G. Wicks.....	1	14
On the petition of Theodore S. Comparet.....	1	18
On the petition of John D. Hester.....	1	52
On the memorial of Ann E. Boyle.....	1	53
On the petition of Jacob B. Power.....	1	60
On the bill (H. R. 895) granting a pension to Hannah Gray.....	1	67
On the bill (H. R. 1209) granting a pension to George J. St. Louis.....	1	69
On the bill (H. R. 1197) granting a pension to Captain Henry M. Scott..	1	88
On the petition of Mary Armstrong.....	1	89
On the bill (H. R. 1073) granting a pension to Sarah Whiting.....	1	91
On the bill (H. R. 892) granting a pension to Margaret Lee.....	1	109
On the petition of Elizabeth S. Lathrop.....	1	110
On a petition, embracing resolutions adopted at a public meeting in Milwaukee.....	1	111
On the petition of Cicero Sims, guardian of William Hutchinson.....	1	129
On the petition of sundry citizens of Juniata County, Pennsylvania.....	1	136
On the petition of James Morris.....	1	138
On the bill (H. R. 1198) granting a pension to Ann Hunter.....	1	155
On the bill (S. 752) granting a pension to Peter Campbell.....	1	156
On the bill (S. 761) granting a pension to Albert A. Morey.....	1	157
On the petition of Manuel Roberts.....	1	158
On the bill (H. R. 2400) granting a pension to William B. Taylor.....	1	174
On the bill (H. R. 2399) granting a pension to Ada H. McDonald.....	1	175
On the bill (H. R. 2397) granting a pension to Margaret C. Gibson.....	1	180
On the bill (S. 858) granting a pension to John B. Rose.....	1	181
On the bill (S. 217) for the relief of Rebecca S. Harrison.....	1	189
On the bill (H. R. 2417) granting a pension to Abraham Cooper.....	1	190
On the bill (H. R. 2416) granting a pension to Andrew Reinfort.....	1	199
On the bill (H. R. 2418) granting a pension to Nancy E. Pugh.....	1	200
On the bill (H. R. 991) for the relief of certain invalid pensioners.....	1	208
On the bill (H. R. 2429) granting a pension to Sarah P. Wing.....	1	213
On the bill (H. R. 1816) granting an increase of pension to William Freshour.....	1	220
REPORTS MADE BY THE COMMITTEE ON REVOLUTIONARY CLAIMS.		
On the petition of Sarah L. Spring and Harriet Spring, of Waterville, Maine, heirs of Captain Williams Barker.....	1	102
On the memorial of the administrator of the estate of the late Lieutenant Joseph Wheaton.....	1	105
On the petition of Frederick Vincent.....	1	144
On the memorial of Sarah S. Stafford.....	1	164
On the petition of Fanny A. Thompson.....	1	221

Subject.	Vol.	No.
On the memorial of the legal representatives of Colonel Francis Taylor and Dr. Charles Taylor.....	1	225
REPORTS MADE BY THE COMMITTEE ON CLAIMS.		
On the petition of Dr. Leonidas Russell and his wife, Martha L. House Russell.....	1	8
On the petition of Dr. J. Milton Best.....	1	9
On the bill (S. 94) for the relief of Miss Keturah Cole.....	1	26
On the petition of Mary M. Clark.....	1	27
On the petition of the United States Express Company.....	1	29
On the bill (S. 97) for the relief of William Henry Otis.....	1	43
On the petition of Horace Tyler.....	1	44
On the petition of Charles and Henry W. Spencer.....	1	45
On the memorial of Phœbe Hepburn.....	1	46
On the memorial of T. T. Garrard and others.....	1	50
On the memorial of Thomas M. Redd.....	1	51
On the memorial of J. W. Parish & Co.....	1	55
On the memorial of William H. Colledge.....	1	56
On the memorial of D. Jay Brown.....	1	57
On the bill (H. R. 112) for the relief of G. S. Baker.....	1	63
On the bill (S. 59) authorizing the Secretary of the Treasury to settle and pay the accounts of Colonel James F. Jaquess.....	1	64
On the petition of John B. Wolf and Jacob H. Brown.....	1	65
On the petition of Elizabeth Winter.....	1	66
On the petition of Beverly M. Botts, Rosalie S. Lewis, Isabella McLean Lewis, and Mary Minor Hoxsey.....	1	68
On the petition of Lewis Johnson, Lewis J. Davis, and David Walker, bankers.....	1	76
On the petition of James A. Waymire.....	1	78
On the bill (S. 260) together with the petition of loyal citizens of Loudoun County, Virginia, praying compensation for property destroyed by fire, and for live-stock taken for the use of the Army.....	1	80
On the petition of Harlow J. Phelps.....	1	82
On the memorial of William Broadus.....	1	83
On the petition of Caleb White and Bettie A. Thomas.....	1	84
On the bill (S. 96) for the relief of Cowan and Dickinson.....	1	85
On the bill (S. 160) relative to claims of certain northern creditors.....	1	86
On the bill (S. 196) for the relief of the owners of the bark A 1.....	1	92
On the bill (S. 95) for the relief of Minerva Lewis.....	1	93
On the bill (S. 199) for the relief of L. Merchant & Co.....	1	94
On the claims of Joseph Segar.....	1	95
On the petition of Milo Pratt.....	1	96
On the bill (S. 79) for the relief of Dudley D. Smith.....	1	97
On the claim of Julius Frank.....	1	98
On the memorial of Brevet Brigadier General B. S. Roberts.....	1	99
On the petition of George W. Jones.....	1	100
On the petition of Mary J. McMullin.....	1	101
On the memorial of L. Merchant & Co.....	1	103
On the memorial of John Potts.....	1	104
On the petition of Simon Van Etten.....	1	106
On the memorial of Robert Lowry.....	1	113
On the bill (H. R. 1288) for the relief of Shuman S. Bailey.....	1	115
On the bill (H. R. 2042) for the relief of Fannie M. Jackson.....	1	116
On the bill (H. R. 1700) for the relief of Battelle & Evans.....	1	117
On the bill (H. R. 2046) for the relief of Theodore Adams.....	1	118
On the petition of James M. Ellison.....	1	119
On the bill (S. 162) to refund certain moneys now standing to the credit of the Navy pension fund.....	1	120
On the petition of Dr. John H. McQuown.....	1	123
On the bill (S. 569) with the petition of Thomas B. Wallace.....	1	124
On the petition of James A. Harrold.....	1	125
On the bill (S. 526) for the relief of Ambrose Morrison.....	1	126
On the bill (S. 377) for the relief of the legal representatives of George T. Wiggins.....	1	127
On the petition of James and Emma S. Cameron.....	1	128

Subject.	Vol.	No.
On the claim of John W. Smith.....	1	131
On the petition of Margaret B. Franks.....	1	133
On the bill (H. R. 1942) for the relief of D. C. Farrell.....	1	134
On the bill (H. R. 1565) for the relief of Naomi Stevens.....	1	135
On the bill (S. 882) to authorize the settlement of the claim of the Wil- mington and Manchester Railroad Company.....	1	140
On the petition of Edward Hedley.....	1	142
On the memorial of A. W. Moss.....	1	145
On the petition of Bernard Hess.....	1	147
On the memorial of L. C. P. Cowper.....	1	148
On the petition of Caleb H. Blood.....	1	149
On the bill (H. R. 1944) for the relief of Edward T. Gates.....	1	150
On the bill (S. 355) on the claim of Ingersoll & Graham.....	1	151
On the petition of William Alcorn.....	1	152
On the petition of Mrs. Annie Dorsey Reeves.....	1	153
On the bill (S. 166) for the relief of David Braden.....	1	154
On the petition of David Kleinman.....	1	161
On the bill (S. 198) for the relief of Warren & Moore.....	1	162
On the bill (H. R. 1551) for the relief of S. B., G. W., and John W. Mitchell.....	1	166
On the claim of A. Grant & Co.....	1	167
On the petition of A. Gordon Millin.....	1	171
On the bill (H. R. 639) for the relief of Jane A. Green.....	1	173
On the petition and accompanying papers of the State of Nevada.....	1	177
On the memorial of William L. Utley.....	1	178
On the bill (H. R. 1945) for the relief of E. W. Whitaker.....	1	187
On the petition of Mrs. Elizabeth B. McCornick.....	1	188
On the memorial of the governor of the State of Tennessee.....	1	202
On the bill (H. R. 1261) for the relief of Thomas D. West.....	1	203
On the bill (H. R. 1274) for the relief of Thomas F. Spencer.....	1	204
On the bill (S. 663) for the relief of David L. Wright.....	1	205
On the letter of the Secretary of War, submitting the claim of S. E. Ward.....	1	206
On the papers for the relief of Dr. Edward N. Calvert.....	1	211
On the bill (H. R. 887) for the relief of Samuel Black and Albert R. Cooper.....	1	212
On the bill (H. R. 114) for the relief of the heirs of Lieutenant-Colonel Humphrey M. Woodyard.....	1	214
On the petition of John A. Hipkins.....	1	215
On the memorial of Messrs. Woodhouse, Southmayd, and Rudd.....	1	216
On the bill (S. 414) for the relief of William S. Mitchell.....	1	217
On the bill (S. 1017) for the relief of Alex. McLeod.....	1	218
On the petition of Levi J. Powell.....	1	219
On the bill (H. R. 2900) for the relief of S. D. Cochran.....	1	230

REPORTS MADE BY THE COMMITTEE ON PATENTS.

On the bill (S. 476) for the extension of letters-patent to Alexander Smith and Halcyon Skinner.....	1	22
On the petition of Frederick P. Dimpfel.....	1	35
On the memorial of John B. Emerson.....	1	39
On the memorial of Joseph W. Fowle.....	1	70
On the bill for the relief of Charles P. S. Wardwell.....	1	75
On the petition of Sarah S. Trapp.....	1	185
On bill (S. 599) granting a pension to Julia Belle Dunlap.....	1	198
On the application for an extension of patent to Harvey W. Sabin.....	1	209

REPORT MADE BY THE COMMITTEE ON TERRITORIES.

On the bill (S. 360) to establish the Territory of Ojibway, and provide a temporary government therefor.....	1	34
---	---	----

REPORT MADE BY THE COMMITTEE ON INVESTIGATION AND RETRENCH-
MENT.

On the New York custom-house investigation..... (parts 1, 2, 3)	4	227
---	---	-----

Subject.	Vol.	No.
REPORT MADE BY THE COMMITTEE ON THE LEVEES OF THE MISSISSIPPI RIVER.		
On an expenditure of thirty-six millions of dollars for the improvement of the Mississippi River	1	170
REPORT MADE BY THE COMMITTEE TO INQUIRE INTO CERTAIN ALLEGATIONS AGAINST HON. POWELL CLAYTON.		
On certain charges.....	1	232
REPORTS MADE BY THE JOINT SELECT COMMITTEE ON ALLEGED OUTRAGES IN THE SOUTHERN STATES.		
To inquire into the condition of the late insurrectionary States. Recusant witnesses.....	1	6, 7
Relative to certain testimony affecting the standing of one of the Senators and certain members of the House of Representatives from Arkansas	1	15
Southern outrages	2	41
REPORT MADE BY THE COMMITTEE ON PRINTING.		
On the bill (S. 426) for the relief of Thomas Allen.....	1	47
REPORT MADE BY THE COMMITTEE ON INVESTIGATION OF SALE OF ORDNANCE.		
On sale of ordnance stores.....	3	183

REPORTS OF COMMITTEES :

BY WHOM MADE, AND FROM WHAT COMMITTEE.

	Number.
From the Committee on Privileges and Elections :	
By Mr. Carpenter	10, 146
By Mr. Logan.....	58, 224
By Mr. Thurman	226, 231
From the Committee on Foreign Relations :	
By Mr. Hamlin.....	42
From the Committee on Finance :	
By Mr. Ames.....	28, 71
By Mr. Bayard, (part 2)	87
By Mr. Morrill	87
By Mr. Scott.....	11, 30, 72, 108
By Mr. Sherman	59, 169
From the Committee on Commerce :	
By Mr. Chandler	223
From the Committee on Military Affairs and the Militia :	
By Mr. West.....	114
By Mr. Wilson	17, 23, 74, 210
From the Committee on Naval Affairs :	
By Mr. Anthony.....	40, 54, 165
By Mr. Cragin.....	122, 163, 172, 179
By Mr. Ferry	77, 132
By Mr Nye.....	36, 37
By Mr. Osborn	182, 184, 222
By Mr. Stockton	159, 201
From the Committee on the Judiciary :	
By Mr. Carpenter	21
By Mr. Trumbull.....	16, 90
From the Committee on Post-Offices and Post-Roads :	
By Mr. Cole	19, 33
By Mr. Ferry.....	32, 130, 139, 168, 191, 192, 193, 194, 195, 229
By Mr. Gilbert.....	186
By Mr. Hamlin	12, 48
By Mr. Kelly	49, 73, 107
By Mr. Ramsey	20, 25, 31, 62, 143, 160
From the Committee on Public Lands :	
By Mr. Osborne	141
From the Committee on Private Land Claims :	
By Mr. Blair	24, 61
From the Committee on Indian Affairs :	
By Mr. Buckingham.....	79, 121, 176, 207
By Mr. Corbett.....	38, 81
By Mr. Frelinghuysen	196, 197
By Mr. Stevenson	112
From the Committee on Pensions :	
By Mr. Hamilton, of Texas.....	189
By Mr. Pratt.....	13, 14, 52, 53, 60, 67, 69, 88, 89, 91, 109, 110, 111, 129, 136, 138, 155, 156, 157, 158, 174, 175, 180, 181, 190, 198, 199, 200, 208, 215, 220
By Mr. Tipton	18
From the Committee on Revolutionary Claims :	
By Mr. Hill.....	144
By Mr. Norwood.....	102
By Mr. Pool.....	105, 164, 221, 225

From the Committee on Claims:

By Mr. Boreman.....	80, 95, 106, 173, 187, 188
By Mr. Davis, of West Virginia.....	104, 113, 128, 133, 177, 211
By Mr. Howe.....	9, 76, 78, 82, 83, 84, 98, 116, 125, 131, 161, 166, 178
By Mr. Pratt.....	8, 43, 46, 50, 51, 55, 56, 57, 68, 85, 86, 92, 93, 94, 103, 120, 127, 134, 137, 140, 142, 145, 162, 202, 203, 204, 205, 206
By Mr. Scott.....	26, 27, 29, 44, 118, 124, 126, 135, 149, 167, 171
By Mr. Windom.....	115, 117, 123, 212, 214, 230
By Mr. Wright.....	45, 63, 64, 65, 66, 96, 97, 99, 100, 101, 119, 147, 148, 150, 151, 152, 153, 154, 215, 216, 217, 218, 219

From the Committee on Patents:

By Mr. Carpenter.....	39
By Mr. Ferry, of Connecticut.....	70, 209
By Mr. Hamilton, of Maryland.....	75
By Mr. Morrill, of Maine.....	35
By Mr. Windom.....	22, 185

From the Committee on Territories:

By Mr. Boreman.....	34
---------------------	----

From the Committee on Investigation and Retrenchment:

By Mr. Howe.....	227
------------------	-----

From the Committee on the Levees of the Mississippi River:

By Mr. Alcorn.....	170
--------------------	-----

From the Committee to Investigate Certain Allegations against the Hon. Mr. Clayton:

By Mr. Morrill, of Maine.....	232
-------------------------------	-----

From the Committee to Investigate Alleged Outrages in the Southern States:

By Mr. Scott.....	6, 7, 15, 41
By Mr. Pool.....	228

From the Committee on Printing:

By Mr. Casserly.....	47
----------------------	----

From the Committee on Investigation of Sales of Ordnance:

By Mr. Carpenter.....	183
-----------------------	-----

TESTIMONY

IN RELATION TO

ALLEGED FRAUDS

IN THE

NEW YORK CUSTOM-HOUSE,

TAKEN BY THE

COMMITTEE ON INVESTIGATION AND RETRENCHMENT.

VOLUME II.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
1872.

NEW YORK

ALBANY

THE YORK

THE YORK

VOLUME II

WASHINGTON

1851

NEW YORK CUSTOM-HOUSE INVESTIGATION.

TESTIMONY—Continued.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

The committee met pursuant to adjournment, when proceedings were resumed.

The CHAIRMAN announced the reception of a communication from Mr. L. G. Tillotson desiring to correct a statement in his testimony which had been previously given.

The communication was ordered to be filed with the clerk.

On motion, it was decided to recall Mr. Tillotson on the point to which he had given the evidence which he desired to correct.

The CHAIRMAN announced the reception of the following communication, which was ordered to be incorporated in the proceedings, and copy referred to the Secretary of the Treasury, with request for information:

“46 SOUTH STREET, NEW YORK, *January 18, 1872.*

“*To the honorable the Committee of Investigation :*

“GENTLEMEN: Assuming that the facts referred to in the correspondence, of which the following are copies, may be of interest to you at the present time, and not having seen the points therein contained as yet referred to by any one else, I submit them for your consideration :

“‘NEW YORK, *March 21, 1871.*

“‘DEAR SIR: Please to take notice that I hereby protest against the exaction of \$85.61 demanded of me and paid this day, as half storage on 11,409 mats sugar, imported by William Whitlock, jr., in the ship Rattler, from Manila, in which case the vessel was, at my request, designated as the warehouse. I have paid the amount in order to obtain possession of the goods, after having paid the duty demanded; and believing this amount to be illegally charged, shall have to hold you personally responsible for its return.

“‘I am, yours, very respectfully,

“‘D. B. WHITLOCK.

“‘HON. THOMAS MURPHY, *Collector, &c.*’

“‘NEW YORK, *March 24, 1871.*—A protest, of which the above is a copy, was this day deposited at the custom-house, in duplicate, at five minutes before 2 p. m.

“‘D. B. WHITLOCK.’

“‘NEW YORK, *March 21, 1871.*

“‘SIR: On the 1st instant 11,409 mats sugar were imported into this port, in the ship Rattler, from Manila, by Mr. W. Whitlock, jr. In due time they were entered at the custom-house for warehouse, and permission was granted by the collector to have them landed and stored at No. 286 South street, in this city. Before that could be done, however, a favorable turn in the market enabled the sale of the sugar at a satisfactory price, and on the 20th instant, being authorized by the inspector, I applied at the custom-house for permission to pay the duty and withdraw the sugar from bond and deliver the same direct from the ship. Before that was granted, however, I was obliged to pay, in addition to the duty, the sum of \$85.61, exacted by the collector, as half storage on goods which had *never been landed from the vessel*. Believing this exaction to be illegal, as it clearly is unjust, I have protested against it, and take this means of bringing it to your notice, in the hope that you will give directions to have the amount refunded to me.

“‘I am, very respectfully,

“‘D. B. WHITLOCK.

“‘HON. GEORGE S. BOUTWELL,

“‘*Secretary of the Treasury, Washington, D. C.*

“‘P. S.—On other side will be found copy of protest.’

“TREASURY DEPARTMENT, *April 3, 1871.*

“SIR: I am directed by the Secretary to acknowledge the receipt of your appeal, (No. 234,) dated March 21, 1871, from the decision of the collector of the port of New York, assessing half-storage on certain sugars imported by you per Rattler, March 1, 1871, and to say that, on full consideration of the case, the Department has affirmed the decision of the said collector, who has been advised accordingly, and to whom you are referred for particulars.

“I am, very respectfully,

“J. F. HARTLEY,

“Assistant Secretary of the Treasury.

“D. B. WHITLOCK, Esq.,

“40 South Street, New York.”

“On receipt of the letter from the Assistant Secretary of the Treasury, I called upon the collector for ‘particulars’ therein referred to, and was shown a letter from the Department to the collector, which stated (as near as my memory serves me) that, inasmuch as he had represented to the Department that the charge had been made in accordance with existing Treasury regulations, his decision was affirmed. On asking to see the Treasury regulations bearing upon the subject, I was shown article 35, of revised warehouse regulations, under the date February 11, 1871, which really seemed to fully justify the collector in making a charge, under the circumstances, of this case.

“In reference to the injustice of such a regulation, I would only add that in this case the importer of the goods was also sole owner of the vessel, and might naturally be supposed to have a right to use his own vessel for storage for his own property, without being obliged to pay the Government for that privilege, when he had in all other things conformed to their rules and forms.

“And further, the amount first claimed for *half storage* was 1½ cents per bag, (or mat,) being 50 per cent. more than what they could be stored for in the best warehouses in this city, for an entire month, and it was only after the greatest exertions and arguments that it was reduced to three-quarters of a cent per bag, (the amount paid.)

“If anything more is necessary to show the impolicy, not to say absurdity, of throwing such impediments in the way of collecting the duties imposed upon the importation of foreign merchandise, and taxing the importer for the privilege of paying his duty at once, instead of retaining the goods in bond for an indefinite period, I think it will be found in what I am informed is the fact, viz, that if the same privilege is asked, (*i. e.*, to have the vessel named a warehouse as a temporary measure) with a view to re-exporting the merchandise, and thereby removing all possibility of its paying any duty, it is granted without any such charge being exacted.

“I am, very respectfully,

“D. B. WHITLOCK.”

[The following report on this subject was received on the 26th instant, and ordered inserted here :

“TREASURY DEPARTMENT, *Washington, D. C., January 25, 1872.*

“SIR: I have the honor to acknowledge the receipt of your communication of the 23d instant, transmitting a copy of a letter addressed to your committee by Mr. D. B. Whitlock, in relation to a correspondence heretofore had between himself and this Department concerning the exaction at the port of New York of ‘half-storage’ fees on a cargo of goods imported into that port in March, 1871. You ask me to inform the committee whether the facts are correctly stated by Mr. Whitlock, and to point out the regulation and law authorizing the same, under which the said fees were exacted.

“In regard to the first portion of your request I would state that upon examination of the records of the Department it is ascertained that the statement of Mr. Whitlock is in the main correct. He imported into New York, from Manila, per Rattler, March 1, 1871, a cargo of sugars, and made a regular warehouse entry of the same, designating a bonded warehouse on land (No. 286 South street) in his entry for the storage thereof. Before, however, the sugars were unladen from the importing vessel, and carted to the designated bonded warehouse, he changed his mind about putting them under bond, and desired to take possession of them immediately, by paying the duties thereon the same as if they had been entered for consumption. This could only be done by a change in the mode of entry, and under the special regulations of the Department, hereinafter recited, the payment of the half-storage fees against the exaction of which Mr. Whitlock complains.

“The special regulation referred to is contained in part 5, revised warehouse regulations for 1868, and is in the following words, viz :

“ARTICLE 35. [437] On completion of entry for warehouses, should the importer desire to take the whole or any portion of his property from the vessel, and pay the duties before the same go into warehouse, he shall be at liberty to do so by paying the duty on withdrawal entry for consumption, and one-half storage for one month, and giving final bond as required by the fourth section of the act of May 28, 1830.’ * * *

"This regulation was also contained in Department General Regulations of 1857, (article 437,) and so far as I can learn had been, also, in force for some time prior to that date.

"There is no special provision of law authorizing the issuance of such regulation, and I presume, therefore, that it was issued under the general authority which is vested in the Secretary of the Treasury by the second section of the act of September 2, 1789, 'to superintend the collection of the revenue.'

"It may also be stated that the question as to the right of the Government to exact half-storage fees for the privilege granted importers to change their entries as aforesaid was affirmed in the circuit court of the United States for the southern district of New York, in the case of *Irwin et al. vs. Augustus Schell*, decided May 21, 1863, 5 Blatchford's Reports, page 157.

"I am, very respectfully,

"GEORGE S. BOUTWELL,
"Secretary."]

The examination of witnesses was then proceeded with.

EDWARD H. BISSELL, a witness, being duly sworn, testifies :

By the CHAIRMAN :

Question. Where is your residence?—Answer. Norwalk, Connecticut, though I am stopping in Brooklyn at the present time.

Q. What is your business?—A. I am custom-house clerk of Mr. J. C. Bromfield.

Q. You do business between him and the custom-house?—A. Yes, sir; entirely.

Q. Have you attended to the goods that have been received from abroad?—A. Yes, sir.

Q. What arrangements have you made for hastening the delivery of goods?—A. When I know the goods are there, and the invoices are delayed, I have made arrangements with the inspector to save them from general orders.

Q. What arrangements have you made?—A. I have told him if he would save them from general orders, I would give from five to ten dollars, according to the amount of the invoices.

Q. What has he done to save them from general orders?—A. He has generally held them back.

Q. Where?—A. On the docks.

Q. How long has he sometimes held them back?—A. Not over a day, I do not think.

Q. And for that you have given him, in behalf of Mr. Bromfield, from \$5 to \$10?—A. Yes, sir.

Q. How often have you done that?—A. I don't think it has happened over two or three times.

Q. Did you pay this money to the inspector?—A. Yes, sir.

Q. Do you know who he was—what is his name?—A. Yes, sir.

Q. Give the committee his name.—A. His name was Wood.

Q. What was his first name?—A. I do not know. I do not know whether his name is Wood or Woods.

Q. From what vessel were those goods landed?—A. I cannot tell you. We had some by the Spain once, and by the Egypt once. I do not know the other vessel.

Q. When was this done?—A. I cannot give you the exact date.

Q. Can you tell us about when?—A. In the case of the Spain, on her last arrival, which, I think, must have been a month ago—it may have been more—and in the case of the Egypt, within the last two or three weeks.

Q. These three arrangements were all, you think?—A. I have only mentioned two.

Q. Who was the other inspector you gave money to?—A. I do not know any other name.

Is this a common practice, according to your knowledge and judgment?—A. I think it is.

Q. Do you know of any other parties who have made similar arrangements?—A. I do not, of my own knowledge.

By Mr. BAYARD :

Q. You spoke of paying them money to save yourself from general orders?—A. Yes, sir.

Q. Are the general-order charges dreaded by merchants?—A. It saves annoyance, time, and charges also.

Q. Are charges under general orders higher than in the bonded warehouse?—A. Yes, sir.

Q. How much do you suppose?—A. We have had so few goods go into general orders that it is difficult to tell. I remember now of only one ship in which we had ten kegs of chloride of potash, the charges on which were \$34. In a bonded warehouse they would have been from eighteen to twenty.

Q. That was nearly double?—A. Yes, sir.

Q. To save yourself from that charge, you made this arrangement with the inspector on the dock?—A. Yes, sir.

Q. I think you have said this is a common practice among merchants?—A. I think so.

Q. To save themselves from general-order charges?—A. Yes, sir.

By Mr. PRATT:

Q. You say that is the principal object, to save these general-order charges and save delay and annoyance?—A. I said to save time, expense, and annoyance.

By the CHAIRMAN:

Q. Was this done at the suggestion of Mr. Bromfield?—A. No, sir.

Q. At whose suggestion?—A. He only consents to my arrangements.

Q. Did he consent previous to this arrangement?—A. No, sir.

Q. How came you to make this arrangement?—A. Because I have power to make that arrangement if I see it is necessary.

Q. From whom did you receive that power?—A. All the custom-house business is under my control from the time I receive the invoice until the goods are in store. Whatever is necessary to be done I do.

Q. Did you do this by your own judgment, with the view of expediting the business of Mr. Bromfield?—A. Yes, sir.

Q. That vessel of which you spoke was a steamship?—A. Yes, sir.

By Mr. PRATT:

Q. You had not got your permit for the goods at the time?—A. No, sir; the invoice was delayed.

Q. Had forty-eight hours expired from the time the ship had entered at the time?—A. Not before I made the arrangement, but I thought it would.

Q. You made it in expectation that the forty-eight hours would expire?—A. Yes, sir.

Q. Did it expire in point of fact?—A. Yes, sir. One time it had only expired by about an hour or two.

Q. And your goods were detained by the inspector, through this arrangement, upon the dock for about a day, you think?—A. In one case—in the case of the Spain they were. In the case of the Egypt they were only about an hour or so; it might be a little more, but not a day, certainly.

Q. What would have been the amount of the general-order charges in the case of the arrangement you made with Mr. Wood?—A. I cannot tell you that. In the case of the Spain I had one hundred and two packages, and if they had gone into general orders they would have cost from \$75 to \$100.

Q. And you saved all that by the payment of from \$5 to \$10?—A. Yes, sir.

Q. What was the cargo by the Egypt?—A. That was very small—six or seven cases.

Q. What would have been the general-order charges there?—A. I do not know. These goods by the Egypt could never have got into general orders if they had not been something short. They were two machines that were put down as weighing two tons, when they weighed three tons. They were short, and that would send them on their arrival to general orders.

Q. What did you pay that time to the inspector?—A. Five dollars, I think. I will not be certain about the other amounts, because I do not know these different times.

Q. You say it is a common practice to bribe inspectors. How do you know that to be so?—A. I do not say it of my own knowledge. I said I thought it was.

Q. What led you to think so?—A. General hearsay.

Q. Did you ever hear any one say that he had bribed an inspector?—A. I never heard one say that he had bribed an inspector, but I have heard a man tell me that he had paid to keep the goods back.

Q. You don't call that a bribe?—A. No, sir; my idea was—

Q. You would call it a gratuity?—A. I suppose the general-order business was established not for the sake of the merchant, but for the sake of the ship-owners, and that the inspectors were allowed to send goods in general orders for the sake of the ship-owners, to clear their docks. I never had the slightest idea until the other day that the inspectors were compelled to do so, and therefore I considered when I paid \$5 I paid that little amount of money to repay them, to a certain extent, for the annoyance of having their docks crowded longer than they were compelled to by law.

Q. You supposed it was a matter of pure discretion?—A. Yes, sir; and I was borne out by the fact that when goods are sent out to the general orders before the time expires, the steamship company makes a deduction on the freight. I did not know that the inspectors were compelled to send goods into general orders until lately, and therefore I never considered the payment of the money a bribe.

Q. You are aware now?—A. I have been aware of it since the oath was read in Mr. Brownfield's testimony.

Q. You are satisfied now that it is a bribe?—A. Yes, sir.

By Mr. BAYARD:

Q. I understand that you have frequently paid this money to keep your goods from going into general orders within forty-eight hours?—A. I did not say I had paid it. I said I had made the arrangements. I never paid it until after we got the goods in store.

Q. The payment followed?—A. Yes, sir.

Q. The arrangement was made when the goods were permitted within the forty-eight hours, to keep them from being hurried within that time?—A. You misunderstood. All I did was this, that when I know that we are receiving goods from a certain ship, and the ship arrives—our invoices generally come by the mail steamer and our goods by the National line—when we know the ship has arrived, before we receive the invoices we generally make arrangements to have the inspector hold the goods until we receive the invoices and make the entry.

On motion of Mr. Howe, a subpoena is ordered to be issued for Mr. Inspector Wood, referred to in the testimony of the last witness.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

DANIEL H. TOMPKINS, a witness, being duly sworn, testifies:

By the CHAIRMAN:

Question. What is your business?—Answer. I am deputy collector, in charge of the public stores.

By Mr. HOWE:

Q. How long have you occupied that position?—A. About two years and two months.

Q. When packages are received or are delivered at the public stores, who receives them from the carman?—A. When they are received at the public stores?

Q. Who receives the goods at the public stores when they are delivered there by the carman?—A. The receiving-clerk of my division. The collector does, if you wish to know who is the receiving party. The work is actually done by the receiving-clerk, and other clerks at the receiving-door.

Q. Can he give an acquittance to the carman for the goods?—A. Yes, sir; he signs a ticket which is sent there by the inspector at the ship through the carman.

Q. The carman always brings a ticket?—A. He always brings a ticket from the inspector.

Q. That ticket describes the packages which are on his load?—A. Not the load. We pay cartage by the package, not by the load.

Q. But the ticket describes the numbers and marks of the different packages which constitute the load, does it not?—A. Yes, sir.

Q. That receiving-clerk is an officer under the appraiser?—A. No, sir; he is an officer under the collector. The appraiser has nothing to do with the receipt and delivery of goods, or with any goods at all, except to examine them in the public stores.

Q. What does that receiving-clerk do with the goods?—A. They are sent into the stores and distributed on different floors—the appropriate floors for their examination—by an expert, who remains at the door, and who is called the distributing clerk. By the appearance of the packages he knows where they ought to go.

Q. An "expert" not being the receiving-clerk, he directs to what part of the public stores each of these cases shall go for an examination, I understand you?—A. Yes, sir.

Q. And that expert is put there by whom?—A. By the collector.

Q. By whose agency are these packages sent from one part of the building to the other; from one floor to the other, if you please?—A. They are sent by the labor contractor's men, who are under the collector also. All the labor is performed in the store by contract, at so much a year.

Q. When a package has arrived at a room where it is to be examined, then what is done with it?—A. It first goes to what we call the appropriate floor, and then when the examiner receives the invoice, he sends for it, and the labor contractor's men carry it into the examiner's room, or examination-floor, as the case may be. Some of the floors are divided into rooms.

Q. Repeat that once more.—A. When a case is received this expert marks on the case the floor which it is to be sent to, and the labor contractor's men take that case and put it on that floor, which is the appropriate floor contiguous to the examination-room, or on the examination floor.

Q. Then you said something about the invoices?—A. The examiners, when the invoice is received, and they want that case placed in the examination-room, make a request to the labor contractor to place that case in that very room, and then the men place the case in the examination-room.

Q. When it gets into the examination-room what happens to the case?—A. Then the appraiser's duties commence with the goods. He examines such cases as the collector sends to the public store for examination. He takes the invoice and notes upon it whether the contents of the case agree in classification and value, and then transmits that invoice to the custom-house, or sends it down to me. In some cases, when they are "correct deliveries," and the importer wishes to have the case sent immediately to him, he so expresses on the invoice his address, and that is an indication that the duty is paid and is correct, and that the case agrees in the classification with the invoice; and then the case goes right to the importer without the trouble of going to the custom-house. That is done under my direction as deputy collector. That is one of the principal objects in having a deputy collector in the public stores, to facilitate the business of merchants and expedite them in getting their goods.

Q. If I understand you, in case the invoice bears a request from the owner to have the goods sent from the public store to his store— A. By the custom-house carts.

Q. And if the duties are paid, and if the contents of the case are found in strict accord with the invoice, then the case goes to him from the examiner?—A. Then the case is immediately sent down from the examination-room to me.

Q. Where are you?—A. I am the deputy collector, in charge of the public stores, with my office there. That is the only office I have. I have no other duties to perform, except in connection with this store. It is a division by itself, under the new organization of the custom-house.

Q. Who passes the goods down to you?—A. The labor contractor's men—the laboring men in the store. The course is this—

Q. Let me continue. I understand you to say that when the labor contractor had passed the package into the examiner's room, then the examiner proceeded to the discharge of his duty?—A. Yes, sir.

Q. Is there not a class of officers who intervene—who have something to do before the examiner commences his work?—A. Not that I am aware of.

Q. Does the examiner open the packages himself?—A. No, sir; in his department he has openers and packers—a large force. The appraiser's department has, I think, some two hundred people in it.

Q. The man who opens the packages is not the examiner?—A. No, sir.

Q. Who is he?—A. He is called an opener and packer. There are a number of openers and packers in every division of the appraiser's department.

Q. The openers and packers proceed to lay open the cases?—A. Yes, sir.

Q. And the examiner, after he has examined the contents, what next becomes of them?—A. The case is then closed up.

Q. By whom?—A. By parties in the appraiser's office.

Q. What parties?—A. The openers and packers. They have the whole control of the case until it is corded and sealed and sent down to me by the labor contractor's men.

By Mr. CASSERLY :

Q. You mean after it has left the examiner's hands?—A. It is corded and sealed in the examiner's room by the openers and packers of the appraiser's department. It is then sent to me to deliver. They put on the address when the merchant is in a hurry to get the package. They address the package in conformity with the address of the owner on the invoice. Very frequently that package gets into the possession of the importer before the examiner has left the examination-room. That is one object in having a deputy collector there, for otherwise they would have to go to the custom-house and have an order made out there for the delivery from the public stores. By having a deputy collector there this trouble is all obviated.

Q. What record is made of the delivery of the case to the examiners on the first floor, if you please, or on any floor?—A. There is a foreman on every floor who is employed by the labor contractors, and when a case arrives on that floor he makes a record in the book of that particular case; a chalk mark on the case indicates the floor it is to go to, and this foreman on this floor makes a record of this case in the book on that floor.

Q. A record which describes the case how?—A. By marks and numbers and the vessel. He takes a regular account of the case as it comes with the marks on it.

Q. When the examination has been made and the case comes out of the examiner's room, does the foreman make any record of the disposition he makes of that case?—A. Nothing to show where it goes. I think not. It is always sent down to the store; to the first floor, to the place where it is delivered from, and then this public-store carman takes it, the case or package, and, as I mentioned before, it sometimes gets into the importer's hands before the examiner leaves the examination-room, from the fact of its having his address upon it.

Q. It is done very sprightly sometimes and sometimes it is not so sprightly; the foreman of each floor makes a record of the goods delivered to the examiners, as I understand you?—A. No, sir; he makes a record of the case when it is placed upon the floor appropriate to the examination-room.

Q. Then the record is made when he receives the case, and not when he delivers it to the examiners?—A. No, sir; but they make a record of that case. When a case is delivered to them they put on it with a stencil-plate the day on which it is received.

Q. Who puts it on?—A. The examiners, or their men.

Q. I understood you to say that the foreman of the floor, when he sent a package to the examiner, made a record of the fact; and you corrected me, and said no, but that when he receives the package on his floor he makes a record of that fact.—A. Yes, sir.

Q. Then you went on to say that when the examiners get the package from the foreman on that floor, the examiners did something with a stencil-plate?—A. They mark on it the time at which they received that case from the floor.

Q. From the foreman on the floor?—A. Yes, sir. The object of this foreman in making these books is twofold; one is, if a case is in the store, when the invoice is received they can find the case.

Q. When the examiner gets the package he marks on the package?—A. Yes, sir; marks on the case.

Q. The date?—A. The date of the reception by him.

Q. And the object of that is what?—A. I say the object of the floor-book that the foreman keeps is to enable the examiner to go out on the floor and see if there is such a case on the floor, and where it is.

Q. That is the only object in keeping this record, on the part of the foreman?—A. Yes, sir.

Q. That the examiner may know whether the package is there or not?—A. Yes, sir; on that particular floor. They come down to our books to ascertain the fact that it is in our store—in my department.

Q. Is that foreman an officer under the collector, or an officer under the labor contractor?—A. He is employed by the labor contractor, and is an officer of his. He is not an officer of the Government at all.

Q. To go back a little, when the receiving-clerk has receipted for this package to the carman, and the ticket bearing his receipt has gone—A. No, the ticket does not usually go back. The ticket is taken by the clerk and copied on what we call the blotter; that blotter goes in the office there, and sheets are made out from that blotter, and they are entered in the books from these sheets. The ticket then goes to the cashier, who pays this cartage under me—he is one of my subordinates—and he keeps these tickets until the vessel is discharged, at the request of the collector and carman both, until they get through with their cargo.

[At the request of Mr. HOWE, the last answer of the witness was read.]

Q. Is that what you desired to state?—A. If you desire, I will explain the whole course in reference to this ticket. This ticket is sent by the inspector at the dock. The clerk takes the receipt from the carman for the package, and the inspector takes the number of the cart, knowing the carman, and he makes a memorandum in a book from that.

Q. Of the number of the cart which took a certain package?—A. A certain package. He puts the package down, and number of the cart, and then he sends a ticket, made out in conformity to that request, to take it away. That ticket comes to me, and is presented at the receiving-door. The receiving-clerk marks on it the condition in which the case comes in there, if it is in bad order. If it is in good order, he does not make any mark, but if it is in bad order he puts on B. O. That ticket is copied on to the blotter, and then from the blotter to the sheets, and then the tickets are held by the cashier.

Q. Be a little more explicit in your explanation. Where does it find the blotter?—A. At the receiving-door. The instant the ticket is presented at the receiving-door—there is a little office inside the door, and the clerk takes an account of this in the blotter; he enters it in the book or blotter. Then that blotter is handed in through a window into our large office, and the lists are made out from that blotter.

Q. The lists—what are they?—A. Sheets showing each case coming into the store; and then from these sheets each package is entered in the books.

Q. Who enters the packages on the books?—A. On the blotter?

Q. On the book?—A. We have three book-keepers and books belonging to the different vessels. We have a number of them; some twenty-five of these books.

Q. You have books, as I understand it, which belong to the different vessels?—A. Yes, sir; we have them headed by the names of the vessels—different lines of steamers and different foreign ports. These are first taken by two book-keepers and are entered in the general books. I think there are three book-keepers entering these packages from the lists. And when they are delivered are closed in each book.

Q. That is probably very clear, but to the uninitiated it does not give much information.—A. If you will tell me what you want, I will endeavor to meet the difficulty.

Q. I will recapitulate, in order to show you the point where the difficulty is. I understood you to say that the ticket which comes with the package from the dock passes into the hands of the clerk, who transcribes it on to something which is called a blotter?—A. Yes, sir.

Q. Having entered it on that blotter, the blotter itself goes into another office and into the hands of another clerk, who transcribes that entry on loose sheets?—A. Yes, sir; large sheets.

Q. And when the blotter gets to that new transcript-clerk, where does the ticket go?—A. The ticket goes to the cashier, who pays the cartage.

Q. To enable him to settle the cartage?—A. Yes, sir.

Q. And then, when the contents of the blotter are transcribed to these loose sheets, does the blotter come back into the—A. That is done the next morning.

Q. What is done the next morning?—A. The transcript of the sheets. The blotter is kept in the receiving-office, and then the next morning, ordinarily, it goes in to the clerks who transcribe the blotter on the sheets; but the ticket goes to the cashier at once after it has been transcribed on the blotter.

Q. When the contents of the blotter are transcribed the next morning upon the sheets, does the blotter come back?—A. Yes, sir; for use the next day.

Q. Explain what is the object of transferring these entries from the blotter on the loose sheets, instead of putting them at once on what you call your books,—A. Simply to make it more correct. These lists—sheets—are very carefully prepared and they go into a book. They are examined by two or three clerks, one reading to the other from the blotter, and then the book-keeper enters them in these books.

By Mr. CASSERLY:

Q. I think the reason of having the blotter transferred on to separate sheets is because the entries are to go into separate books?—A. That is one of the reasons.

By Mr. HOWE:

Q. That is a philosophical reason, if it is so; but I do not see that the other is.—A. That is one reason. It is very important to be very accurate.

Q. Then, if I understand you, this blotter, when it goes in in the morning, has entries upon it which are to be recorded in several distinct books?—A. No, sir. The blotter has, of course, because it contains everything that goes into the store.

Q. To facilitate the entries in these different books, its contents are transcribed upon loose sheets, that they may be distributed?—A. Yes, sir.

Q. Now, if I understand you, all these officers thus using the blotter and those transcribing upon the sheets, and those who make the entries finally in the books, are officers under the collector?—A. Yes, sir.

Q. And immediately under you?—A. Yes, sir.

Q. The result of this machinery is that you finally get upon these books, which are permanent records, the entry of each package that comes from the dock?—A. Every package that comes into the store.

Q. That shows that the deputy collector has received that package?—A. Yes sir.

Q. Now, then, I want to know how you protect yourself, you having recorded the fact that a given package is in your possession, when the labor contractor takes it out of your protection and sends it up stairs; how do you record the fact that that has gone into the possession of the labor contractor?—A. By the simple fact of his taking an account of it on the floor where it has gone to.

Q. The only evidence you can resort to, to show that the labor contractor has taken it from you, is to go to the books of the foreman on that floor?—A. Yes, sir.

Q. And an expert decides at the door of each floor where the package shall go?—A. Yes, sir.

Q. Does the entry made by your clerk show to what floor the package has gone?—A. Yes, sir.

Q. So that when you look at your entry on the books or on the sheets even, you know to which floor up stairs to go to find that package?—A. The package is charged to that floor in our books.

Q. When this package has been through the examiner's hands and has been unpacked and the foreman sends it back, I understand you it is received on the first floor?—A. He sends it down to the floor where we deliver our packages from.

Q. Does the foreman make any record of that dispatch of the goods himself?—A. I do not think he does; I am not quite sure whether he does or not.

Q. If a case is to go from the public stores to the merchant, I understand it comes into your possession?—A. Yes, sir.

Q. Do you make a record of the time when it comes back from the examiner's room to you?—A. No, sir.

Q. You do not make any record of that fact?—A. No, sir. Let me explain: these packages, after they have been sent to the examination-room, if they are in a condition to go out, they come down at once—the same day—and are placed on the floor, where they look for these packages to deliver them.

Q. Where who looks?—A. Where our delivery clerks look for them.

Q. Yesterday you charged the foreman on the second floor with a package of goods which had been sent up for examination there?—A. Yes, sir.

Q. Now your record shows that that package is on that floor?—Yes, sir.

Q. But when the goods have been examined and returned from that floor to your floor, I understand that your books still insist that that package is up there and do not show that the package has come back?—A. No, sir. We do not show by our books that the package has come back; we only show by the record when we deliver the package.

Q. What record do you make when you deliver the package?—A. That depends upon what kind of a delivery it is; if it is a correct—

Q. If it is found correct it goes to the merchant?—A. There are two kinds of correct delivery: one where the importer desires to have the package taken by custom-house carts, in which case the merchant's address is put on the invoice and the examiner puts the address contained in the invoice on the case and it is sent down to me. There are two receipts made out, one of which the carman signs and gives to me. Then he takes the goods to the merchant and brings me back the receipt signed by the merchant, and the two receipts are pasted together and filed as our voucher for that case being delivered. There is another class of correct deliveries, where orders are made out in the office by my clerks upon the invoices being sent down to me to make that order from. The first delivery of these two is the most expeditious one in favor of the merchant. Then there are certain deliveries of goods by transfer to the warehouse where duties are not paid. All these deliveries that I have mentioned constitute about two-thirds of the deliveries. I made a special calculation with reference to last month, which shows that. There are four kind of deliveries in fact: one is the correct delivery by receipts, another a correct delivery by orders, another by permits and orders, and another upon transfer receipts—that is, where the goods are transferred to warehouses.

By Mr. BAYARD:

Q. Transferred to a bonded warehouse?—A. Yes, sir; that is, where the goods are in possession of a collector and not duty paid. The parties designate the warehouse they are to be sent to, and when they are examined by the appraiser they are marked for that warehouse and sent down to me, and I send them to the warehouse.

By Mr. CASSERLY:

Q. Under what circumstances do goods reach the public store before duty paid?—A. How do you mean, under what circumstances? I desire to explain the second mode of delivery—what is called correct delivery by orders made out by me. The owner or importer expresses on his invoice the words "owner's carts," that is, where he desires the goods to be taken by his own carts. The other method of correct delivery, as I have stated, is the most expeditious, because, in the correct delivery by orders, there is delay, because the invoice has to come down to me; after it has gone down into the invoice bureau in the appraiser's department and put on the list, then the invoice is sent down to me, and from which invoice I make out this order. That is our correct delivery by orders. That plan is a little more slow because it takes time to transcribe this invoice on the list. These invoices are then sent by me over with the list to the custom-house.

By Mr. HOWE:

Q. If an importer wants a case forwarded to him by a Government carman, how does he express the wish on the invoice?—A. At the time of the entry it is placed by the entry-clerk on the invoice—a statement of the importer's street and number.

Q. If he wants it to come to his store by his own carman?—A. He expresses it on the invoice at the same time, "owner's carts."

Q. In the case of the first package, how do you say the appraiser informs you that the package is to go to the importer by a Government carman?—A. By placing the address of the importer upon the invoice on the package.

Q. In the second case, where it is to go by the importer's carmen, he sends down the invoice to you?—A. Yes, sir.

Q. On which you find that request?—A. Yes, sir.

Q. Can't that invoice come down to you as quick as the package can come?—A. These orders are made out and the parties apply for their orders to me and give them to the delivery-clerk and ask for the delivery of the package. In the other case, it comes down at once without coming to me at all. I sign those orders as deputy collector—this kind of orders. They are made out by the clerks and I sign them.

Q. That is not exactly responsive to my question. The question is whether the invoice which informs you that the importer wants to employ his own carmen instead of the Government carmen, could not come to you from the appraiser as soon as the case could come to you from the appraiser?—A. No, sir; because it has to go first into the invoice bureau, and there it has to be placed on sheets, and then it is sent down to me—no; I am mistaken in that; these invoices come down at once to me, but there is some record in the invoice bureau—they must take an account of that in their books before they come to me. In the other case the invoices are sent to the custom-house, and then orders and permits are made out there.

Q. In practice, how long is it after the package has been examined and sent back onto the receiving-floor before the package comes to you?—A. That all depends upon the expedition they use in sending it down to me from the appraiser's department.

Q. I want to know what that expedition is?—A. It usually comes down the same day, or the next morning.

Q. Is there any reason why it should not come down the same day or the next morning?—A. That depends upon the multiplicity of their business. It varies very much. Sometimes there is a great deal more to do than at other times in the way of examinations.

Q. But supposing the appraiser, having the invoice before him, and seeing from that that the merchant wishes to employ his own carman, instead of the Government carman, should note the address of the importer on the case, and should say under that "owner's carman," and let the case come down to you, why could you not send that case off by the owner's carman just as you would by the Government carman, without having the invoice before you?—A. I do not know.

Q. Do you understand the question?—A. I think I do. You mean to say, why not class that as a delivery the same as the first class I spoke of. It does not occur to me at this moment, without more reflection, what answer to give to the committee; but I found that was the established fact when I come there, and I continued in the same course.

Q. But you think, when you find a package simply with the owner's address upon it, you must construe that into a direction to send the package to the address by the public cart?—A. Yes, sir.

Q. If the words "By public cart" were superadded to the owner's address, you would construe it in the same way, would you not?—A. It would mean the same thing.

Q. You would feel it perfectly safe in such a case to send the package right off by the public cart to the merchant, without seeing the invoice at all?—Yes, sir.

Q. And if a package came to you with the owner's address printed on, and the words by the "owner's cart," instead of public cart, the question is, why you are not just as safe to send the package off without seeing the invoice?—A. Suppose the owner does not want to have the package immediately? suppose he didn't express a desire to have that package immediately given to him.

Q. But he does express it on the invoice, only you don't see the invoice?—A. Yes, sir; he expresses it in the invoice? I see the invoice, and have to make out an order from that.

Q. You do see the invoice, and it is on the invoice? The appraiser sees it on the invoice, and therefore puts upon the package this evidence of the owner's request, to wit, his address, and the direction, by his own cart?—A. I am not prepared to answer whether that would be the same kind of delivery or not, without more study and reflection. There may be some reasons for it which do not occur to me just now, why they are delivered in that way. It is a matter that I have not thought of before. I have merely carried out the practice which had been in existence before I went there, in the matter of deliveries.

Q. Then, under your practice, when the package comes to you—A. Will you let me explain a little more about this? This invoice comes down to me for the purpose of making out that order, and it also comes down to me for the purpose of seeing whether it has been properly turned out, and to see if the duties are paid. My clerks look at that, as well as other features of the invoice, to see if the examiner has made any mistake. That is one reason, perhaps.

Q. But is it not just as important that you should see the invoice for that purpose, when the goods are to go by a Government cart, as when they are to go by the owner's cart?—A. It may be.

Q. Yet you don't see that in that case?—A. No, sir, I do not.

Q. In your practice as it is, as I understand you to say, when the package comes down to you with the direction on it to send by the owner's cart, you then do wait for the invoice to come to you?—A. Yes, sir.

Q. And when the invoice comes to you—A. We make out the order.

Q. You make out an order, and you take that order to whom?—A. We leave it for the importer to call for it. If it is left there for twenty-four hours, then we write him a letter to come and take that package away.

Q. What order do you make out?—A. An order of delivery.

Q. To whom?—A. The order we make out is to deliver this package to a certain importer.

Q. Who do you direct to deliver the packages on the order to a certain importer—who executes it?—A. My clerks. We make out the orders, and when they apply for them we hand the orders to the party, and he puts it into the delivery, and they send for the case, and they turn it out to him. They all have the same option. They can put the address on the invoice, and all cases can go out that way—that is, duty-paid cases.

Q. When you have made out that order for the delivery of the package to the owner's carman, do you enter that on your books?—A. Yes, sir.

Q. Do you enter it at the time it is made out?—A. O no, sir; we take the receipt from the carman who produces the order. He takes the order from me and produces it at the delivery-door. That receipt is kept by me. It is made out in duplicate, and then they sign another receipt—no, not in that case—I am confounding it with the first, where we make out receipts. These orders are filed with me. They are made out in duplicate.

Q. The orders?—A. No; I am wrong there; not in that particular class of deliveries. It is only for the others, where they are made out as receipts. These are made out in single orders, and we take an account of them. There are lists made out of these invoices. Then these orders are made out from these invoices directly, and the moment that order is returned to us it is taken to our book-keeper and closed in our books, the package being open on the books until the order is presented back to us again.

Q. You will have to be more explicit. I have got so far along in my education that I understand that when this invoice comes down to you you proceed to make out an order which is authority for the delivery of this package to the owner's carmen?—A. Yes, sir; when they call for it.

Q. Will you advise me what becomes of that order? Who takes it from your possession?—A. That order is made out in duplicate. We have a delivery-clerk, who takes that order. It is receipted by the carman, and he keeps that order and files it among our vouchers.

Q. The delivery-clerk takes one of these orders?—A. Yes, sir.

Q. And when he delivers the package the carman receipts for it on the order?—A. Yes, sir.

Q. And the delivery-clerk returns the order to you?—A. Yes, sir.

Q. What becomes of the other order which the delivery-clerk didn't take?—A. These orders are not made out.

Q. We will stand on that. Now, when you have got the order-book from the delivery-clerk, with the carman's receipt upon it, then the order is filed away among your archives. Then is there any record made of it on your books?—A. At once.

Q. What do you mean by at once?—A. At once the package is closed by the delivery-order on our books.

Q. When the order has come back, or when it is made out?—A. The order don't come back. The receipt is given at the time the case is delivered. The carman signs that receipt.

Q. Then the order comes back with the receipt upon it to you, does it not?—A. Yes, sir; after it has been recorded on our books as a delivery, what we call closing the package on our books.

Q. What do you call closing the package on your books?—A. Taking that delivery-order to the book-keeper, and he closes from that delivery-order that open package on our books. That disposes of it.

Q. When did he take it to the book-keeper? When the order is made out, or after it has come back from the delivery-clerk with the receipt?—A. After it has been receipted for by the carman it is put on our books.

Q. I understand there are two methods of delivery, which you have named, both of which relate to packages that are going to the importer?—A. Yes, sir.

Q. Sometimes cases come down from the examiner which are not to go to the importer?—A. Yes, sir.

Q. Where are they to go?—A. To the warehouse.

Q. How do you get rid of those goods?—A. Those goods are sent out at once by making out two duplicate receipts. We take one receipt from the custom-house carman at the public store, for those goods are in the custody of the collector all the time. We take his receipt and then he brings us back from the bonded warehouse the duplicate receipt, and then we file those two receipts together as one voucher for that delivery. Then there is another delivery—on permits and orders, as they are called.

Q. Let me ask you one preliminary question: how do you know, when this package comes down to you from the examiner's room, that it is to go to the bonded warehouse; how is that evidenced to you?—A. By its being marked from the invoice on the examination for a particular warehouse, that they want it to go until the duty is paid.

Q. Does not the owner's carman frequently transfer these goods?—A. No, sir; the transfer business from the public stores to the warehouse is done by Government carts.

Q. That is so; I was aware of it before, but I had forgotten it. The carman signs the one receipt. Does he take a blank receipt to the bonded warehouse?—A. Yes, sir.

Q. And when he returns he brings you that other receipt, signed by whom?—A. By the store-keeper.

Q. Not by the proprietor of the warehouse?—A. No, sir.

Q. Now tell about the fourth?—A. The other delivery is upon permits and orders, which are made out at the custom-house and presented to me, and I deliver the case on these permits, made out by deputy collectors in the custom-house. Where parties don't choose to take them at once, or don't choose to pay their duties—

By the CHAIRMAN:

Q. Speak a little louder.—A. They are permits and orders made out at the custom-house, and when they present them we deliver them, whenever they are in a position to be delivered. The deputy collector signs the permits.

By Mr. HOWE:

Q. What are the goods delivered on permits and orders? Where are they to go?—

A. To the owner, whenever he presents this permit—whenever he gets permits made out at the custom-house.

Q. Permits and orders are resorted to, then, for the delivery of goods to the owner?—

A. Yes, sir. I will explain this: The invoices, probably, require some liquidation, or something else there. These invoices go to the custom-house from the appraiser's department. They don't go through me at all. They are transmitted at once to the custom-house, and, upon the condition of that invoice they make out at the custom-house, permit and order to deliver these packages. There are various reasons for not delivering. There may be something to liquidate; they may not want to pay the duties immediately on them.

Q. The three kinds of delivery that you first spoke of have reference to the delivery of packages which, on examination, we find "Correct"?—A. Two of them. The other one is not a duty-paid delivery. It is a delivery to the custom-house, where duties are not paid.

Q. Still the examination found the package correct?—A. With the other two. The owner does not want it, and he cannot get it until he pays his duty.

Q. But the examiner found the contents of the package in accordance with the invoice?—A. That does not always follow.

Q. Does it always follow that when a package comes down to you, addressed to a certain bonded warehouse, that the examiner has found the contents of the package in accordance with the invoice?—A. Not at all. That is not a correct delivery at all, because it is not duty paid. It may or may not be in conformity with the invoice.

Q. If he found it not in conformity—A. He may find it not in conformity, or he may find it in conformity.

Q. In either case he would send it back to the bonded warehouse?—A. In all cases where they have not paid duty.

Q. The case would go down to the bonded warehouse, and the invoice would go back to the custom-house, to be delivered there?—A. Yes, sir.

Q. Now we will come back to the permits and orders. I want to understand, if I can, in just what cases they have permits?—A. The permits are in cases where they have not expressed "Owner's carts" on the invoice. Then the invoices are sent to the custom-house, and from there the permits and orders are issued.

Q. Now, let us see. If an invoice had come from the custom-house to the public stores without any direction upon it to send the package anywhere, the examiner, having examined the case, returns it to you; you have to keep it until the permit comes from the collector's office?—A. Yes, sir. I have no discretion in the matter. These invoices don't come under my control at all after they have been sent from the appraiser over to the custom-house. They are in the custody of other officers.

Q. Who make out these permits and orders?—A. Other deputy collectors.

Q. These permits, then, are resorted to to get from your possession packages which have come down from the examiner without any direction about what to do with them?—A. Yes, sir.

By Mr. CASSERLY:

Q. You are obliged to keep the goods until the permit comes to the public stores?—A. Yes, sir. I could in some cases, perhaps, send it away, but I have never resorted to that practice since I have been there but once, and that was two years ago, I sent a package to the general-order store.

Q. You would have to send the case back there?—A. Yes, sir; to keep the case under the custody of the Government. We have not room to store goods, and we are adverse to keeping packages any longer than we can.

By Mr. HOWE:

Q. What record do you make on your books of a delivery where it is upon permits?—A. This permit is filed with our vouchers. When we deliver a case we take a receipt for it from the party who presents the permits, or the attorney of the party who acts. We have a record of all these attorneyships, and we close it up on the books on these permits.

Q. Do I understand you between the time that the package of goods is delivered at the door of the public store and the time that it is taken from that door, the package is in the custody, at different times, of three different sets of men, so to speak?—A. Yes, sir; it is, in fact, practically, but constructively it is in the custody of the collector all the time.

Q. Practically, three different sets of men—name them.—A. The appraiser's department during the examination; the labor contractor, so far as their labors are concerned, and while it remains in the store it is in my custody as the collector's representative all the time.

By the CHAIRMAN:

Q. Let me ask you there what control has the appraiser over the goods except while they are in his lofts?—A. None whatever.

Q. Has he any control over the contractor or laborers?—A. Not in the slightest.

Q. No control?—A. He has this control: he is obliged to call on these contractors to send the goods to the upper floors for the purpose of examination.

By Mr. BAYARD:

Q. That transfer of goods is done by the laborers employed by the contractor?—A. Yes, sir; it is a part of their labor contract to do so.

By Mr. HOWE:

Q. We hear complaints of the abstraction of goods from packages supposed to have taken place, very often, between the time the package leaves the ship until it gets to the merchant's store; suppose the package gets safely to the labor contractor, and is delivered by him in the condition he finds it to the appraiser, has the labor contractor, has the collector, has anybody, any means of ascertaining whether, when the package is re-packed, the goods are put in it which were found there when it was opened?—A. No, sir. That is a matter which the appraiser's department have themselves. The package when it is closed is corded and sealed, and then it is thrown out.

Q. The integrity of the men employed in the examiner's room is the only guarantee the public has that the goods will be replaced or are replaced as they were found?—A. Yes, sir.

Q. The duty of re-packing the goods, as I understand you, is devolved on certain men known as openers and packers?—A. Yes, sir.

Q. What is their compensation?—A. I don't know.

Q. Practically, do you know whether that duty is discharged under the supervision of the examiners or not?—A. It is supposed to be.

Q. Practically, I say—not theoretically—is it discharged?—A. I have no means of knowing from my personal observation. I very seldom go in the examiner's rooms, except in going through the store. There are regulations which require it to be done practically under the supervision of the examiners.

Q. Do you know of any regulations which require the examiner, after opening a package, and he finds it short, to make any representation or any report of that fact to anybody?—A. Yes, sir; he makes that report at once if he finds it short. I believe the habit is to send for the importer, if he finds anything wrong in the case, or if he finds it in very bad order, he sends for him to be present at the opening of the case.

Q. Does he send for the importer after he has opened the case or before he has opened?—A. I think generally after he has opened the package; if he finds anything short in the case.

Q. If he found the case in a disordered condition—in a suspicious condition, does he not send for the importer before he opens the case?—A. I will not be very sure. His practice is to send to me or to any chief clerk to take a look at the case. If he finds the case in a bad condition he sends to me to notice the case in its condition, and I either go up myself or send my chief clerk to look at the condition of the case.

Q. What record is preserved of this visitation of yourself?—A. I make a mental record of it, expecting to be called by the collector to report. The usual form is this: If a man makes a complaint that he has lost anything he goes to the collector with that complaint. The habit has been to direct me to investigate and report upon that complaint for a loss of goods of any kind. The course is then for me to send the complaint to the appraiser and ask him to account for the package while undergoing his examination. Then after he has reported I call upon the labor contractor to report their part, while it was in their custody, and then I express an opinion and transmit the matter to the collector for his action. I state the facts that I have developed. I usually ascertain, in the first place, from our books the condition of the case when it came to the public store, and how it was receipted by us. If it was in bad condition I so state, and I also see if the carman gave at the ship what is called a clean receipt, then I transmit this report with the facts to the collector for his action.

Q. Is it not certain that when the examiner opens a package he must know, if he does his duty, whether the contents of the package are in accordance with the invoice?—A. He should if he verifies the case.

Q. What do you mean by verifying the case?—A. Verifying the case is seeing if the contents correspond with the invoice.

Q. Is it, or is it not, his duty to verify the case?—A. I presume it is.

Q. If there is a card of buttons or a card of hooks and eyes on the invoice which is

not in the package is it, or is it not, the duty of the examiner to know it when he opens the case?—A. Well, sir, I think it is.

Q. If he proceeds then to examine the case and makes no report of an abstraction or a deficiency in its contents, is he not concluded from saying afterward that the abstraction was made before the case came to his hands?—A. It is probably not proper for me to express an opinion in regard to the duties and regulations which shall govern him. I have no part in these regulations at all; they are not a part of my duty in any way.

Q. You don't know what the regulation is?—A. I have an impression that by the Treasury regulations they are obliged to verify each case, but whether in some cases they can get there with this business I don't know.

Q. Can you tell me to what officer of the customs service I could apply for accurate information as to the duties and responsibilities of each of the subordinates there?—A. What do you mean by each?

Q. Each of the subordinates in the service.—A. I think the appraiser could give you the regulations that govern him. I can give you the labor contract. I can give the history of my department and the number of clerks employed in it, but I don't know how I could possibly do it from memory. I have a number of clerks.

Q. It is upon this point that I want information. Is it the appraiser who can inform us as to the duties of his examiner and subordinates?—A. Yes, sir; entirely. I have nothing to do with the examination of goods in his department.

Q. I understand you that from time to time you are charged by the collector with investigating these complaints of abstraction?—A. Yes, sir.

Q. I therefore wanted to know of you what the reason was, when you came to the appraiser and found that he had opened that case of goods, examined the goods, re-packed them, and sealed and delivered the package to the labor contractor without making any memorandum after the abstraction of the goods, you don't say to the appraiser you are the man who took the goods?—A. I don't suppose that to be under my control.

Q. If it is his duty to verify the package, are you not obliged to suppose that he has verified it and found it correct, though he didn't state it was correct?—A. After it has passed out of my control, for his examination, I have nothing more to do with it until after the case has been corded and sealed.

Q. But subsequently it is found that a dozen scarfs or a card of buttons are gone. The merchant finds that out when the case comes to his store. You are called upon to investigate the matter by the collector. You find that the examiners opened it and did not note the loss of that card of buttons?—A. That would probably be explained in the appraiser's return. He calls upon his subordinate officers to make this return in regard to what they did while the case was undergoing examination. He requires them to make reports to him; then he makes up his report of the transaction in his department, which he transmits to me. He exonerates himself, and shows a clear record, and I transmit that over to the collector, and he acts upon it in his own discretion.

Q. But it is an *ex post facto* record. When the merchant has not found the goods, and complains, then the appraiser says the case was short when it came to him; and yet, when it came to him he didn't say anything about it?—A. If he receives the case in bad order he marks it.

Q. But that is the condition of the case, and not the condition of the contents. The appraiser, when he opens the case, knows whether the goods are in it or not, or he ought to know.—A. The appraiser knows what the regulations are much better than I can tell.

Q. What force have you under you?—A. Fifty-five besides myself.

Q. What is the rank of those—what do you call them?—A. Clerks, messengers, porters; and I have quite a force stamping cigars, which is done in my division. We stamp all the cigars that come in the port of New York.

Q. What is the number of your division?—A. It is the eighth division.

Q. Describe the duties of your division.—A. Perhaps I could not better describe it than by showing the amount we do in the way of delivering orders and receiving.

Q. Just give me a definition of the duties of your division.—A. In the first place, we have a receiving-clerk—

Q. I am not talking about the different officers. I have seen a card here which subdivides the custom-house.—A. The organization of the custom-house?

Q. Yes, sir.—A. Probably there has been some little change since that card was made out. I will define my duties.

Q. That is what I want you to do.—A. I have the issuing of the correct-delivery orders. I have the issuing of the correct-delivery receipts. I have the issuing of the transfer orders to the bonded warehouses. I have the issuing of the penal-bond orders, which, perhaps you do not precisely understand, as they have not been alluded to. Then I have charge of the sampling office. Then I have charge of the cigar department, putting on stamps, both duty and internal revenue stamps, on cigars imported the port of New York.

Q. Does that conclude your duties?—A. That may conclude most of my duties there. I have charge of the labor-contract. That is under my control.

Q. In what sense?—A. To see that they do their duty. I have a superintendent of the stores, who has charge of these laborers, and sees that they do their duty properly. They provide the men who do all the work required in the public stores by contract.

By Mr. CASSERLY:

Q. How many men are there employed in that?—A. I think at the present time there are fifty-seven laborers and eleven watchmen.

By Mr. HOWE:

Q. That work is done by the job?—A. Yes, sir; they get so much a year, and they have to pay certain expenses, such as coal, gas, and water; and they pay the watchman.

Q. Tell us how your force is divided—the fifty-five men under you.—A. Perhaps I can give you nearly all, but I don't know as I can, from memory. We have one receiving-clerk; we shall have, in a day or two, another, as we are now opening another receiving-door; one recording-clerk; one distributing-clerk; one marker, at the receiving-door; then we have three different clerks at the three delivery-doors, and one extra delivery, clerk.

Q. That makes four.—A. We appropriate him for other purposes, but he is appointed as an extra delivery-clerk, in case of sickness or absence from any cause of either of the other three. Then we have three book-keepers; we have ten in the cigar department, and a cigar inspector; three clerks and six messengers. Then we have four clerks who make out these correct delivery orders. We have three clerks who make out the transfer receipts. We have three porters, three or four messengers, a cashier, another clerk who assists him, and who also makes out these sheets from the tickets. How many does that make now?

Q. Thirty-five or thirty-six?—A. I have a chief clerk and a superintendent of the store; two clerks, who "call off," as we call it, on each side—call off goods for delivery; three clerks to answer questions from the books to the merchants and importers; three clerks in the sample office. I do not know as I can go much further without taking a little more time. I have two other clerks in charge of these invoices—to mark the invoices, and see if the goods have gone out—we call them invoice-clerks. Then I have another clerk, who has been transferred to the custom-house, and I have not yet received any one in his place. We intend him for the other receiving-door. I do not know as I can give any more from memory. We may be one or two short.

Q. You have spoken of a man here whom you named as an expert?—A. He is the distributing-clerk at the receiving-door. In fact, all the experts at that door are generally experts. They have been there for some time, and they are in the habit of receiving these packages, and they know what they are from the exterior. One of my other duties that I have not enumerated is the payment of incidental expenses of the public stores, both in the appraiser's department and in my own, and the payment of all the cartage upon the packages coming into the public store.

Q. You say you make disbursement for cartage and other expenses?—A. Yes, sir.

Q. Are you prepared to state what the cost of cartage is now, and what it has been for years before?—A. Yes, sir.

Q. What was the cost on cartage last year?—A. It was \$78,213 and some cents, for 226,070 packages.

By Mr. BAYARD:

Q. For what period was that?—A. For the whole of the year 1871.

By Mr. HOWE:

Q. What was the average cost per package?—A. Thirty-four and sixty-four one hundredths cents per package. That was the rate paid for cartage during the year 1871.

Q. What was the amount the year before?—A. The year before there was 200,000 packages, and a fraction over.

By Mr. BAYARD:

Q. In the year 1870?—A. Yes, sir; the cost was \$74,109 and some cents.

By Mr. HOWE:

Q. The average was what?—A. The rate was $36\frac{26}{100}$ cents per package for the year 1870.

By Mr. BAYARD:

Q. That was the average rate?—A. Yes, sir; that was paid per package for that year except the first month of that year—January.

By Mr. HOWE:

Q. How was it in 1869?—A. The receipts were 161,800 packages.

Q. And the cost?—A. Seventy-four thousand five hundred and eighty-three dollars and some cents.

Q. The average was what?—A. Forty-six and eight one-hundredths cents. That year the cartage was paid by the load—the year 1871.

By Mr. BAYARD:

Q. And 1870 and 1871 it was paid by the package?—A. Yes, sir; with the exception of the month of January, 1870.

By Mr. HOWE:

Q. Now give us 1868.—A. The whole number of packages was 137,000, and some hundred packages. The cartage was \$62,000 and some odd dollars.

Q. The average was how much?—A. Forty-five and sixty-four one-hundredths cents.

By Mr. BAYARD:

Q. Was that year by the load or package?—A. By the load. The first two years were by the load, and the second two years by the package.

Q. Do you go any further back?—A. No, sir; that is as far back as I can go. I have understood that the rate the year before was very much larger. I have seen the amount paid for cartage that year as being \$92,000, but I have no means, without going to Washington, of determining the number of packages received that year.

Q. We can get the information there?—A. I presume so, sir.

By Mr. HOWE:

Q. Do you feel able to state that \$92,000 was about the cost?—A. I have seen it among the records that \$92,000 was paid in the year 1867. I would also state that I have made a calculation that if the cartage in 1870 and 1871 had been paid by the load in the same proportion, the cartage would have been \$47,000 more cost to the Government than in the year 1869.

Q. I do not understand that exactly.—A. Taking the account of receipts for the last two years and taking the rate per package that was paid in 1869, and counting the receipts of that year, the saving to the Government by the package system was \$47,000 during those two years.

By Mr. BAYARD:

Q. Is that cartage from various steamship piers and other places?—A. From every point.

Q. From the Jersey side?—A. From everywhere.

Q. The Cunard lines and the Hoboken lines?—A. It was all the cartage from every point.

Q. And in 1871 the average was a little less than 35 cents?—A. Thirty-four and ten one-hundredths.

Q. For packages coming from all the way from every point?—A. From everywhere.

Q. From the Hoboken lines and the Cunard lines—including ferriage and all?—A. That is all we pay.

Q. Who has the cartage contract?—A. It is paid to different parties, a number of parties; they have their different piers—different steamship lines.

Q. Do you know that these cartage contracts are considered desirable and profitable to those who obtain them?—A. It depends entirely whether you believe their statements. A great many seem to say they are not.

Q. Do you find that these same persons are anxious to renew the contracts?—A. I do. I have seen but very few of them to speak to them personally myself.

Q. I ask you whether at these rates there is not considerable competition to obtain these contracts among men in the community?—A. I do not know that I could answer that. I do not really go outside of my own department in these matters.

Q. Give us, as a gentleman well versed in this business, your impressions on that subject.—A. My impressions are that it is desirable to do that cartage. I do not think they would apply for it if they didn't think it desirable.

Q. You find some parties who have had it who still desire it?—A. I have been told that some parties that have had it would be glad to get rid of it to-morrow if they could get rid of their stock.

Q. But if they could they would continue to go on with the contract?—A. This contract has been in force ever since the new system of paying by the package. I did not pay by the load but for two or three months. I found that practice in existence when I came there.

Q. What is the highest price that you have ever paid for cartage at the public store?—A. I paid on one load or one case there \$20 or \$25.

Q. What was that for?—A. It was an enormous carriage. I saw it myself taken into the public store. They could only get it in the door, and it took, with all the force we could get around it, forty minutes. It required twenty to load it on the dock.

Q. Was that on a single truck?—A. Yes, sir.

Q. Is that the most you have paid?—A. That is the most; and I never paid that but once, or anything like it. The expense must have been very high in employing persons to load and unload that carriage.

Q. Was it a family carriage?—A. It was the most enormous thing I ever saw. The truck was at the door, and I went out to see it myself, for I thought it was a very extravagant charge to make. I went out and took the cashier with me. It took forty minutes to bring the carriage inside the door, and then by the use of rollers and pries and everything else you can imagine, and that, too, when the floor at the door was level with the cart. I cannot imagine how they loaded and unloaded it on the ship.

Q. It must have been unwieldy and bulky?—A. Yes, sir.

Q. They have tackle for doing that on shipboard?—A. This was taken from the dock on the cart.

Q. This is the most you have ever paid?—A. Yes, sir; I never paid anything like it before.

Q. What does the ticket state which you receive when the carman brings the merchandise to the public store?—A. The ticket has the number and mark, the owner's name—not the owner's name, but the vessel which brings the goods.

Q. The marks and number of the package and the name of the vessel?—A. Yes, sir; and the inspector's name who signed the ticket.

Q. He signs that?—A. Yes, sir.

Q. That is his certificate that that is the case you are to receive?—A. Yes, sir; we go by that entirely in taking our account.

Q. The size and contents of the package are not noted at all?—A. No, sir.

Q. Nor the owner?—A. No, sir.

Q. Is the condition of the package noted on the ticket?—A. At once.

Q. Is it noted on the ticket when you first receive it?—A. Yes, sir; as a usual thing, and almost invariable rule. That is the business of the receiving-clerk at once.

Q. Does the inspector who sends you that ticket note on the ticket the condition of the package?—A. No, sir.

Q. What officer of the custom-house receives that package?—A. I do—the deputy collector.

Q. You and your subordinates?—A. Yes, sir.

Q. Who brands these packages "bad order"?—A. The receiving-clerk.

Q. Has he the authority?—A. Yes, sir.

Q. To brand any he sees fit?—A. Any he sees fit; following certain rules to determine the question of good or bad order.

Q. Is he the sole judge of the application of that brand to the packages?—A. Yes, sir.

Q. Where is the stencil-plate kept?—A. Right at the door.

Q. Hanging up in the store?—A. Yes, sir. It is in the hands of a marker, who, by the clerk's direction, puts on "in good order." No, he makes no note whatever on packages; marks nothing unless it is in bad order.

Q. The stencil-plate is kept hanging up all day against the side of the store?—A. Yes, sir.

Q. By whom is the labor performed of receiving and delivering all goods, and moving them from place to place in the public store?—A. By the labor contractors.

Q. Who are they?—A. There are three—Messrs. Sperry, Sapham, and Randall.

Q. Are they partners?—A. I understand so. In fact they are all one firm; that is so expressed in the contract.

Q. Composed of the individuals you have named?—A. Yes, sir.

Q. They have the labor contract?—A. Yes, sir.

Q. By whom is that contract made?—A. It is made with the collector. It is made by the Secretary of the Treasury. The last contract was so made, signed by the collector.

Q. Have you seen the contract?—A. Yes, sir; I have a copy of the contract.

Q. Is the contract for a sum certain?—A. Yes, sir.

Q. In gross?—A. Yes, sir.

Q. To do all the labor?—A. [Interrupting.] Required by the collector in regard to the receiving and delivery of the goods.

Q. Is there any manual labor performed in the way of bringing the cases into the store, except by the contractor's laborers?—A. No, sir; unless when the appraisers sometimes come out on the floors and help themselves to the cases. They are required to perform all that duty.

Q. That is not the duty of the appraisers?—A. No, sir.

Q. These laborers are employed all over the building?—A. Yes, sir.

Q. In every part of it?—A. In every floor, almost—in fact every floor.

Q. The contractor employs whom he chooses?—A. Yes, sir.

Q. Is the contractor sworn in any way?—A. No, sir.

Q. Are his laborers in any way sworn?—A. No, sir.

Q. Are his laborers under the control of the officers of the custom-house, or under

the control of the contractor?—A. I suppose they are virtually under his control. For instance, if I find a laborer not doing his duty I should call upon the contractor to discharge him.

Q. You wouldn't undertake it yourself?—A. No, sir; the appointments are made by him.

Q. And the removals are made by him?—A. Yes, sir. He appoints the watchmen also.

Q. What are the duties of the watchmen?—A. There are seven employed in the day-time to watch the goods and to watch the doors. There are four employed every night, two on each street, Greenwich street and Church street.

Q. Are they kept in the store all night?—A. Yes, sir.

Q. They are not Government officers?—A. No, sir.

Q. They are the private agents of the contractors?—A. Yes, sir.

Q. Are they sworn in any way?—A. No, sir.

Q. Do they give bonds in any way?—A. No, sir.

Q. Are they the sole custodians of the stores and the goods in them at nights?—A. About two-thirds of each day.

Q. Two-thirds of every twenty-four hours?—A. About that; not quite.

Q. That they are the sole custodians of the property and the buildings?—A. Yes, sir.

Q. And they are men whom the Government does not appoint or remove, and only control through the contractors?—A. Yes, sir.

Q. The custody of the building is surrendered to them for nearly two-thirds of the time?—A. Not quite two-thirds.

Q. More than half?—A. From 5 o'clock in the afternoon until 8 o'clock the next morning.

Q. When are the stores locked up?—A. That depends entirely upon the press of business. We have been very lenient with the people, and have kept that store open until 10 o'clock sometimes, to take the goods in. Of late we have closed at a very decent hour—from 5 to 6 o'clock.

Q. Do the committee understand you to say that for fifteen hours out of the twenty-four the custody of those public stores and the merchandise in them is left to the store-keepers appointed by the contractor?—A. Yes, sir.

Q. And nobody else?—A. No, sir.

Q. No one is there to superintend them at that time?—A. No one has a right to enter the store while it is in their custody, unless it is myself, the chief clerk, or the superintendent, without a pass from me.

Q. Do the store-keepers and watchmen remain in all night?—A. They are supposed to.

Q. They lock the stores up?—A. Yes, sir.

Q. Do they carry the keys?—A. The keys are inside; they don't go out.

Q. You have stated to us that the carts which carry goods to and from the docks are contractors' carts?—A. They are what are called bonded carts. There are some carts that have districts, and other carts are bonded carts, and take them from the place where there are no regular districts.

Q. With whom are the contracts for cartage made—with the collector and the Secretary of the Treasury?—A. I think they are made by the collector. I am sure.

Q. In the same way that the labor contracts are made?—A. I don't know how the contract is made. I have certain directions laid down for me, governing me in the payment of the cartage to the carmen, who have the steamship lines.

Q. Those carts bring the goods directly from the piers or wharves to the public stores, for appraisement and examination, or they bring them from the general-order stores to the public stores?—A. Or from any warehouse; yes, sir.

Q. What carts carry them from the bonded warehouse?—A. Those are special carts. One set of carmen have charge of that particular business—what is called transfer to and from the warehouse.

Q. Who pay that?—A. It is paid when they bring them to me from a warehouse. When they carry them to the warehouse, it is paid by the store-keeper.

Q. You mean by the store-keeper the warehouse-man?—A. Yes, sir.

Q. Do you know what the average of that cartage is?—A. I don't, sir.

Q. Who will give us the information of the costs of cartage from the public stores to the bonded warehouses?—A. I presume that is an established rate in the third division.

By Mr. PRATT:

Q. I will ask you to look at this circular, [handing papers to witness,] dated November 26, 1870, showing the regulations relative to the cartage, drayage, and lighterage adopted by the collector, with the approval of the Secretary of the Treasury, and state whether those are the regulations still in force for the goods in public custody.—A. Yes, sir, those are the rates.

By Mr. BAYARD:

Q. The rates for carting from the public stores to the bonded warehouse?—A. No, sir; these are the rates on all merchandise sent to the United States appraiser's store and sample office. All those I pay.

Q. It is to those statistics that you have spoken here in regard to the average rates and total amounts?—A. Yes, sir; both as regards the store and sample office.

[The circular containing the rates of cartage was put in evidence.]

Q. Explain when and under what circumstances merchandise is returned from the public stores to the general-order stores?—A. It is the desire of the parties to have them sent back there. If they come from there, and there is a general-order package, it is addressed by the appraiser to the same store, because there is nothing in the invoice to show where they want it sent. They express them on the invoice if they want them sent to any other warehouse than the general-order store.

Q. The importer goes to the custom-house, makes his entry, and obtains his permit to have those goods sent from the general-order store to the public store for appraisement and examination?—A. Yes, sir.

Q. Now, I understand you that if he does not, upon that permit or invoice, state to what bonded warehouse he desires them sent, that the appraiser may send them back to the general-order store?—A. I think so.

Q. Is that the practice?—A. I think it is.

Q. By whose direction is it that the goods go back to the general-order store, instead of being sent to some other bonded warehouse?—A. We shouldn't know where to send it unless they expressed a desire to have it sent somewhere.

Q. Then, if you receive no notification on the permit or invoice of where they want the goods sent for appraisement, you send them back to the general-order store?—A. Yes, sir; but that is a rare case.

Q. How long a time are goods retained by you, on an average, for appraisement and examination?—A. That is a question I couldn't answer. It all depends upon the facilities that the appraiser has for disposing of the cases.

Q. Can you give us any information on that subject of how long goods are retained in the public stores for examination and appraisement?—A. I can't, because it depends upon so many contingencies.

Q. You can give no information on that subject?—A. No, sir. One idea is to get them out as fast as we can.

Q. Can you tell us what that amounts to?—A. No, sir; I can only tell you what is the usual number of packages we have. I keep a daily record of it.

Q. What is the average time of detention of goods from the merchant, when they have to go from the general order before they go into the appraiser's store?—A. That I don't know.

Q. We have had some testimony to the fact that there is an average of seven and a half days upon the goods of A. T. Stewart, where they have been sent from the general-order store and then come through the appraiser's store.—A. I have no means of knowing.

Q. You have no knowledge on the subject?—A. No, sir.

Q. Are you able, then, to criticise the statement?—A. No, sir, not in the least. I might state, in reference to that, that there are some delays occasionally in getting the goods into the stores, because in the summer the vessel is detained by yellow fever on board, or something like that. That applies often to cases of cigars coming from Havana. I think I noticed in the paper some complaint of a party giving his testimony. It was in regard to the delay in getting his case of cigars.

Q. That was before they had gone into the general store?—A. No, sir; I think it was after it had gone into the general-order store.

Q. The complaint was that they had gone into the general-order store first. It has been the charge of many merchants that the general order is a cause of delay. What rent is paid for the whole of the building you occupy?—A. Sixty-six thousand and three dollars and twenty-five cents.

Q. How long have you got a lease on it for that?—A. The lease expires on the 1st of February, 1873.

Q. What would be the rent of that building—what could be obtained for that empty building, next to you, below?—A. I can't say, sir.

Q. Have you no knowledge for what that could be obtained?—A. I have an idea.

Q. What is your impression?—A. My impression is that it might be obtained for \$8,000 a year.

Q. What relative area is covered by the two buildings?—A. The building that we occupy is 125 feet front on each street, and 179 feet on one side, and 159 feet on the other, in depth.

Q. It is a little irregular in shape?—A. Yes, sir; there is a small space between the two buildings.

Q. What is the size of the building next to you?—A. 125 feet front, 44 feet deep, in the cellar and first floors, and 34 feet deep on the upper stories.

Q. It has the same front, then, and one-third the depth of your store?—A. Hardly one-third the depth; not more than one-fourth, on an average.

Q. It has an area of the building you now occupy?—A. Yes, sir.

Q. It is a building equal in construction?—A. Yes, sir.

Q. When was it finished?—A. It was finished two years ago, in the same style as the building we now occupy.

Q. That, you say, could be obtained for \$8,000?—A. I was so informed; but I understand that the parties would ask, perhaps, double that, if they could get it. The parties who own it would like to get it, and would ask double that, or more.

Q. They would like to get it?—A. Yes, sir; and they would ask it.

Q. You believe the building could be rented for the sum you have mentioned?—A. I know, when it was talked about two years ago, I was told by a party that he could get it for \$8,000.

Q. Has it ever been occupied?—A. No, sir.

Q. Then it has stood idle for two years?—A. Yes, sir.

Q. The parties have never been able to get the highest rent you have named?—A. No, sir. I was requested to report if it was necessary, two years ago, for our occupation. At that time Mr. Grinnell was collector, and asked me if we wanted it, and I told him we didn't want it for appraisement, but if our business increased as it had done, we might want it in the future.

Q. You have stated already the number of packages that go into the public store.—A. Yes, sir.

Q. What is the average of the selection of packages from an invoice, under the law and according to custom?—A. Well, sir; there is a custom of this kind: The collector sends a certain amount, perhaps one-tenth; but now as to the practice, or not, to send, I understand that if there should be eight cases in an invoice, and all should be dissimilar in character, they should send one of every kind to the public store for examination. Then the appraiser has a right to ask the collector to send any amount of that invoice for examination, if he has any cause to suspect that there is anything wrong about it, or any cause, he has a right to ask the collector to send the whole invoice, or any part of it, to the public store. That is sent under an appeal-bond order. I issue those on the request of the appraiser to have those goods sent to him for further examination.

Q. Are hogsheads of sugar sampled, and boxes of sugar sampled on the dock, and inspected and appraised there?—A. I am under the impression they are sampled on the dock, as well as in the owner's store; I am not sure.

Q. But are they sent to the public store?—A. No, sir; not as a rule; there may be exceptions.

Q. There is a rule, the imported sugars that come into this port are sampled on the dock?—A. Yes, sir.

Q. And don't go into the public stores at all?—A. No, sir. I might, in this connection, state what I had forgotten to state in regard to my duties.

Q. I would like to get through with this, and then I will be glad to hear anything you may have to say.

The WITNESS. I beg your pardon.

Q. Imported sugars are not, as a rule, sent to the public stores at all?—A. No, sir.

Q. Are such matters as soda-ash sent to the stores, or sampled at the dock?—A. They have been, but I think now, upon a requirement of law, they don't send them now.

Q. When are boxes of coffee sampled?—A. I think they are sampled outside of the stores.

Q. They don't go to the public stores?—A. No, sir.

Q. And where are hogsheads of molasses sampled?—A. Outside, also.

Q. They don't go to the public stores?—No, sir; and liquors, as a general rule.

Q. All the liquors that come are sampled outside, and do not go into the public store?—A. No, sir.

Q. How is it with railroad iron?—A. I don't think that goes to the public stores, except samples of it.

Q. Then, in point of truth, a very large proportion in bulk and number of packages and value of the merchandise imported into New York, does not go into the public stores at all?—A. That applies to some kinds of goods. Now, we have from certain piers, very heavy packages, in the way of Dundee bales, weighing 1,500 to 1,800 pounds each. They come there for examination.

Q. That is a species of dry-goods?—A. Linen goods coming from Glasgow, mostly.

Q. Scotch goods?—A. Yes, sir; if you will allow me to explain, one of my duties, which I had forgotten, is this: the regulations from the Secretary of the Treasury require me to procure from the appraiser all the samples of all kinds that they have of unclaimed samples. It also requires me to make a return to the collector of my force, porters, &c., and the waste paper and rope, &c., and one or two other matters, to make

a sale of them, and to make a return of the proceeds to the Secretary of the Treasury, which I have done since I have been there.

Q. I think you will like, probably, to state the results of your case in that interest in that respect?—A. I care very little about it.

Q. You can state what you have returned to the Treasury from that source?—A. Last year it was \$8,222.

Q. That is from the sales of the samples?—A. Yes, sir; and the waste paper. The waste paper alone, in that store, came, in the two last years, to \$2,943.

Q. That is \$1,400 a year and over?—A. Yes, sir.

Q. Do you know where the contracts for this paper, twine, &c., are made, and by whom they are furnished?—A. No, sir; not in the appraiser's department; that is separate.

Q. Do you know whether they are all purchased in New York, or where?—A. I don't know.

Q. You have no knowledge on that subject?—A. No, sir.

Q. You have exhibited how much can be saved by attention to duties, however small; is every tenth box of all the champagne imported into New York sent to your store?—A. I am not certain; I send nothing myself.

Q. I am speaking of what you receive. You have stated to me that the sugars do not go to the public stores?—A. No, sir; casks of liquors do not go, but, I think, all wines do—boxes and cases.

Q. Do you think they send you one box out of ten of all the champagne imported into New York, to your store?—A. I have no means of giving an opinion.

Q. Sir?—A. I have no means of knowing.

Q. Do you suppose they sample every tenth basket?—A. I don't.

Q. You have no idea that any such thing is done—that every tenth basket is sampled?—A. I have seen at one time fifty cases in their charge; I am not sure that they are all examined.

Q. The only way to sample a box of champagne would be to take a bottle out?—A. I should think it would.

Q. You don't suppose the sampling reaches that serious result?—A. I should think not. I know this, that I never received any samples, to sell, of bottles of champagne.

Q. How about the tea?—A. The samples of that comes to me also.

Q. Tea, as a rule, is sampled at the dock, isn't it?—A. I think it is.

Q. It doesn't go into the warehouse as a rule?—A. No, sir.

Q. Are there many other articles that you can mention which come to the port of New York which don't go to the public stores at all—packages of merchandise in the original packages?—A. I can only judge from the samples somewhat; the samples are taken on the docks. I forgot to state that I also received samples of drugs, which is quite an important item.

Q. They don't bring the original package there?—A. Yes, sir; most of them are brought there.

Q. You receive samples of those things and you sell them for the benefit of the Government?—A. Yes, sir.

Q. That is quite an interesting item in your testimony. I am speaking of these things which don't go to the public stores in the original packages, out of which samples are sent you from the dock. You have described the method of your reception and discharge of goods, and I don't propose to ask you any further about that, but it having been charged by many persons that articles of merchandise are abstracted while in the Government custody, and many of the persons allege it to be done while in the public stores, I will ask you whether you know of cases of abstraction while in the public stores?—A. I have pretty well authenticated two cases that have occurred in the public stores, and I reported as my opinion that the abstraction took place while the goods were in the custody of the labor contractors. I have known of two cases since I have been there, and possibly three.

Q. There are, as it were, three parties who are, at different times, in custody of the goods—yourself and your subordinates, the labor men of the contractors, and the appraisers and examiners, who have their openers and packers also. Now, where do you think the leak is, if any exists, among those three departments?—A. It is impossible for me to say.

Q. Can you give us an idea, in the way of a check upon that?—A. I can only say that our reports show, as a general thing, the fact of our receiving a case "in bad" order where the carman had given a clean receipt to the ship, and it would throw the difficulty of that *onus* upon the carman.

Q. That is plain enough.—A. Now the appraiser, when he has it in his care, the cases are opened and the same class of men are about, openers and packers, who are about the same class of men as others in similar occupation—laborers almost; I can't tell you about that.

Q. It is suggested by my brother Howe whether, in these two cases of detected abstraction, the wrong was committed before the goods reached the examiner's hands

or after.—A. In one case it was between the two examiners; it was a case of cigars—an abstraction of 2,200 cigars altogether out of a package. That I reported as having occurred while the goods were in the custody of the labor contractor.

Q. What is the other case?—A. It was the foreman of a floor to whom was traced the abstraction of some Roman silk scarfs. Notice was brought to me by a detective that they had found where a man had sold these scarfs in Brooklyn.

Q. Are they the only two cases in which you have detected the abstractors of these goods from the public stores?—A. I think there may have been one other, which leaned toward the labor contractors. I understood yesterday they were going to pay it.

Q. What was done in the other two cases you have mentioned?—A. I reported the fact to the collector in the first case. I was called upon to call upon the labor contractors for the damage. The labor contractors replied that when I would show them the man that stole the scarfs they would pay the damage.

Q. That what?—A. When I could show them the party who stole the scarfs, which, of course, I couldn't do, but I traced it to the time while it was in their care.

Q. You never traced it to any individual?—A. No, sir.

Q. And nobody was ever indicted or punished for it?—A. No, sir.

Q. And nobody removed from his employment?—A. They couldn't find out who was the man.

Q. That was the fact?—A. Yes, sir.

Q. So the whole thing was without remedy?—A. It wasn't traced to anybody.

Q. Were those Mr. Claflin's scarfs?—A. No, sir; it is some time ago.

Q. Then, in point of fact, it seems to be very difficult to detect where the thieving does take place, and, when you bring it to one department, that doesn't bring you any nearer to the individual?—A. I thought I had two clear cases. My object was to get justice for the merchants, but I couldn't, in either case, get a dollar out of the carman.

Q. But when you bring home to one of the departments of the public store the fact that the loss has occurred in that department, there is still no means of detecting the individual and no means of bringing him to punishment?—A. The contract reads in this way, I think: they shall be responsible for all depredations and all thefts committed by any of their employés.

Q. Have you ever known a man removed from office or from duty in that building for alleged pilfering of merchandise?—A. I think I hadn't heard of a removal.

Q. You don't know of any of your own knowledge? Did you ever know of a prosecution and conviction in a court of justice for such thefts?—A. No, sir. The labor contractors formerly took that ground that I must trace it to the man, and legally convict him before I could get any money out of them. I think the fair construction of the labor contract tends to that.

Q. Their answer was, in substance, "What are you going to do about it?"—A. Exactly, and I did nothing.

By the CHAIRMAN:

Q. Who was the former labor contractors?—A. Moggett and Jackson.

Q. How long did they have it?—A. I think they had it two years; I think their contract expired two years ago last July. I think the new parties here had it since July, 1870.

Q. Do these parties take the same position as to convicting a man?—A. They don't take the same position, although their contract reads in the same way. They proposed to me, when I called upon them, that they are willing to trust my judgment, and if I call upon them to pay, they will, and do not require any process of law.

Q. Have you ever used that discretion by calling upon them to pay in any cases?—A. I have in one case. I reported within a month or two the abstraction of a watch, and I was told yesterday by the labor contractor that he intended to pay it.

Q. He hasn't paid it?—A. He will pay it, I am satisfied. The collector has decided that he shall pay it.

By Mr. BAYARD:

Q. Who makes out the catalogue for the sale of unclaimed goods at the expiration of the year?—A. It is under the charge of Mr. James, the deputy collector of the third division. Mr. Haye has charge of those sales; he is a clerk in the third division.

Q. It is in Mr. James's division?—A. Yes, sir.

Q. They are prepared in that division?—A. Yes, sir.

Q. By Mr. Haye, the clerk to Mr. James?—A. Yes, sir; which sales do you speak of?

Q. The sale of unclaimed goods.—A. Yes, sir; Mr. Haye makes out those.

Q. Catalogue of that character? [Exhibiting papers to witness.]—A. Yes, sir.

Q. How often does he make them out?—A. I think the regulations state about three times a year. Sometimes I don't think they have enough for a sale as often as that.

Q. You have nothing to do with that?—A. No, sir; my sales are made another way—sale of samples.

Q. Those are the only sales you make—the sales of samples?—A. Yes, sir.

By Mr. PRATT:

Q. When was the lease made for the building which is now used for an appraiser's store?—A. I think it was made the 1st of February, 1867.

Q. Who made that contract—what officer of the Government?—A. The collector, by the approval of the Secretary, I presume.

Q. Was that the rate for the whole term?—A. No, sir; I believe the first lease was for \$45,000. That lease expired two years ago, or a little more than two years ago, or about two years ago.

Q. How came it to be renewed at \$66,000?—A. One reason was that they had changed the whole character of the building. There was 47 feet in depth taken from the front running from Church street, and a new and expensive front put in, which was put in at an expenditure of \$75,000. There was an agreement made with the collector that a certain portion of the expenditure should be paid in that increased rent. What that was I don't know, because I have never seen the agreement which is the basis of the present lease.

Q. Had the buildings been occupied by the Government previous to 1867?—A. I think not; it had been a pork-packing establishment, belonging to Mr. Getty.

Q. Is this building, in its arrangement, well adapted for an appraiser's store?—A. No, sir; it is not. It answers the purpose, if it had a little more room; but it isn't what I should like to have.

Q. What, in your opinion, would be a fair rental for the property?—A. Well, sir, I have given my opinion to the collector, and perhaps it is hardly advisable, unless you require it, for me to state what that is, because matters are pending in relation to the store with the parties.

Q. Well, I am not particular about it, sir.

By Mr. CASSERLY:

Q. How can your statement affect that question, if you show that it may be a reason for not pressing the inquiry?—A. There are two parties now in treaty with the collector, offering him certain facilities for doing that business, and he is very averse to letting his views be known to either one or the other.

Q. That is all very well; that would be eminently proper; but allow me to put this point to you.—A. Allow me to explain first.

Q. Certainly.—A. The lease of the public store has this provision in it: that on the 1st day of February, 1872, the owner of the store may give the collector notice that the lease will expire on the 1st of February, 1873. There is also a provision in the lease that if the collector replies to that notice within ten days, he can take the store again, for the same rate, for three years more. Perhaps that may explain to you the reason why I am a little averse to giving you the opinion that I have given to the collector.

By Mr. BAYARD:

Q. Do you think it would be against the interest of the Government to do so?—A. Yes, sir. My whole object is to protect the whole interest of the Government, in this matter and any other matter.

By Mr. CASSERLY:

Q. I will not press the question at present; but I must say that I cannot see how your present judgment of the value of the stores has anything to do with the question of new stores.—A. The payment for the new front has been nearly exhausted in the three years' rent.

Q. Is the building conveniently located for an appraiser's store?—A. Well, sir, not entirely so. You see the large business we have done with the facilities we have had. Will you allow me to say what the average has been in our receipts? There have been about seven hundred and eighty-three packages a day received in that store, for every business day last year, and about the same amount delivered. There have been forty-eight millions of cigars stamped, and upward, within the last year.

Q. Wouldn't it, in your judgment, be better for the Government to own a store of that kind, in its right, as a permanent institution? You must always have an appraiser's store.—A. I think it would. I notice that the store is called, in the ordinary parlance, the appraiser's store. It is not so in law. It is the only store that the collector or the Government pays the rent of in the city of New York. The bonded warehouses are private enterprises, but the public store is literally a Government store.

Q. Heretofore the Government was in the habit of leasing stores for general-order stores, wasn't it?—A. I have very little experience in what has gone before. My experience is only of the present.

Q. I understand you to say, now, that this is the only building which is rented by the Government in connection with the custom-house?—A. For the examination of goods and for custom-house business, that is, as I understand it; and I believe there is no other.

Q. You state that the lease in 1867 was made by the collector, and that the lease in 1869 was also made by the collector. What had the Secretary of the Treasury, in each case, to do with the lease?—A. I think it was approved by him only. The lease was made before I became deputy collector.

Q. But you know what the practice is?—A. I know that the present lease is signed by the collector.

Q. It is signed before or after the approval by the Secretary?—A. That I don't know, in this case.

Q. You don't know whether it is submitted to the Secretary for approval?—A. Usually it is approved by the Secretary. I don't know.

Q. Where is the lease now?—A. In the custody of the collector; the original lease is. I have a copy of it.

Q. The rent in 1867 was how much?—A. Forty-five thousand dollars.

Q. The rent in 1869 was how much?—A. When the new lease was made it was \$66,003.25.

Q. That is an increase of over \$21,000 per annum.—A. Yes, sir. What portion of that was allowed for the improvement and width, I don't know.

Q. Well, we will see about that improvement in a moment. Was the present lease, which was made in 1869, made in Mr. Boutwell's administration?—A. Mr. Boutwell—I think so. The lease was signed in 1869—December.

Q. Then, of course, it was made under his administration?—A. Mr. Grinnell was the collector who signed the lease.

Q. You said something of putting in a new front into the building?—A. Yes, sir. The street before was a very narrow alley, and they widened the street very materially, and then added some forty-seven feet to the former building, and they have put this iron front in—a very expensive front. A letter which I have seen from the owner, a Mr. Ayers, stated that he had expended \$92,000 on that alone.

Q. Have you any other authority than his statement for that?—A. Yes, sir. I think he produced his bills at the time, but I don't think they allowed anything like that amount, but only \$75,000. How that was apportioned to the rent, I don't know.

Q. You say 47 feet were taken off the building?—A. Yes, sir; in depth.

Q. That diminished the accommodation of the Government that much?—A. It took off 47 by 125 feet, six stories high; and, in compensation, they added one story to each building, but it didn't compensate for the amount taken away.

Q. Neither in extent nor in convenience?—A. Very much in convenience.

Q. I don't understand you.—A. I say very much in convenience; it contributed a good deal, because it gave a very large and light room on the upper floor.

Q. Still you don't understand my question. It is much harder to do your business the higher you go?—A. Yes, sir. It should be three stories and no more.

Q. So that adding another story, while diminishing the area, wasn't much of a gain?—A. No, sir; because they took away more superficial feet than they gave us back.

Q. So that, although the area of the building was decreased, the rent was increased 50 per cent.?—A. Not quite 50 per cent. They claimed that was in consideration of giving us this wide street, and a better place for the delivery of our goods.

Q. The street was widened by the authorities, and not by the landlord?—A. Widened by the city authorities.

Q. So that no great rent was due to the landlord for it?—A. No, sir. He claimed it enhanced the value of the property. So I understood, but I knew nothing about it. He also claimed that he didn't get enough from the Government to pay him for what he did.

Q. You have heard of landlords making such claims before, haven't you?—A. Yes, sir.

Q. And they generally are taken for what they are worth?—A. I presume so.

Q. Was gold higher or lower in 1869, when that new lease was made, than in 1867?—A. I don't know.

Q. The rent is payable in currency?—A. Yes, sir.

Q. Greenbacks, so called?—A. Yes, sir.

Q. There still are a great many dark rooms and dark places in that building, are there not?—A. Yes, sir; comparatively.

Q. And in a great many rooms, upon days that are overcast, gas-light becomes necessary during several hours of the working-day?—A. Yes, sir.

Q. And, on the whole, you regard it as a very unsuitable building for the purpose?—A. I do, to a certain extent. As I stated before, we have got along admirably well in this building for the two years that I have been there. We have never been compelled to send a package to the general order in the two years that I have been there.

Q. The committee made a visit to your building the other day, and went through the principal portions of it, I think. I believe we had the pleasure of seeing you there?—A. Yes, sir; at my office only.

Q. There are, as I understand you, three departments in the public store. One is

the collector's department, of which you are the head?—A. Yes, sir; I am the head of the store.

Q. I am speaking now of the handling and charge of these packages received there. Are there three different departments in the public store?—A. Yes, sir.

Q. One is the collector's department, of which you are the head?—A. Yes, sir.

Q. The other is the department of labor, of which the labor contractor is the head?—A. Yes, sir.

Q. And the third is the appraiser's department, of which the chief appraiser is the head?—A. For this purpose, simply—examination and appraisement.

Q. The appraiser's department, I believe, includes the examiners?—A. Yes, sir.

Q. In that department you have fifty-five officers besides yourself?—A. Yes, sir.

Q. In the labor department, I understand, besides the superintendent, who is under your control— —A. [Interrupting.] That isn't in the labor department. That is my clerk, who has the control of that whole labor department, under orders.

Q. In the labor department there is a superintendent who is under your orders—your clerk?—A. He is not in the labor department. He is in my department.

Q. That is true, but he has the control of it?—A. Yes, sir; he puts it where he sees fit. You spoke of it as being in the labor department.

Q. He is in it to the extent, as you say, that he directs where the labor is to be bestowed?—A. I took it as saying he was in the labor department.

Q. There are in the labor department fifty-seven laborers and eleven watchmen?—A. That varies from time to time, according to the press of work. I speak now of fifty-seven, because I asked the question yesterday or the day before, supposing the question might be asked me, and that was the report made to me—fifty-seven on that day.

Q. Is that more or less than the average?—A. That is more than I can tell you. I think it is about the average. I think it rises up to sixty-eight, from fifty-four or fifty-five.

Q. The contract for this labor is let out by bidding, isn't it?—A. I think it was, sir. The amount of the contract I can give you, if you want to know.

Q. The contract is for a gross sum, isn't it?—A. Seventy thousand dollars; and the labor contractors pay the engineer and fireman, and for the water, gas, coal, &c.

Q. What class of laborers do they employ generally?—A. Well, sir, they employ an ordinary class of laborers. Some of them they keep a long time, who are experts in handling the goods.

Q. Would you say that of the mass of the laborers?—A. Well, they are likely to make a good selection, for the reason that they consider themselves responsible for anything the laborer may do.

Q. Now, what rate of wages do they pay their men?—A. I am under the impression that it is \$2. I think so, but I can't be certain.

Q. The laborers in the weigher's department of the custom-house get 40 cents an hour, and one of them testified the other day that he was paid at that rate, one day with another, all the year round, making \$4 a day?—A. Yes, sir.

Q. Do you think, sir, that, at \$2 a day, a class of laborers, such as you should have in the public stores, are obtained by the contractors?—A. I see no reason why not; because they would be the same class of men if they got \$4 a day, because it is hard work. You can't get a superior man to do this work; it is an immensely difficult work to do—trucking the heavy cases and being very expeditious about it—very few men could stand it.

Q. You don't think a better rate of wages would get a better class of men?—A. I really doubt it.

Q. Do you think that is true of any department of the custom-house, that better wages would not get better men?—A. Well, sir, I wouldn't perform the work at any price they chose to give me, and I think it would be an easy matter, except the manual part of it.

Q. Do you think that is true of the different departments of the custom-house at this port, that to increase the salary or wages would not improve the character of the officers?—A. No, sir; I don't say that; those are not officers; those are merely laborers. I wouldn't apply it to the appraiser's department or the collector's department. It is rough work, and it takes rough men to do it.

Q. Then what is the number of men employed in the appraiser's department?—A. I have no means of knowing, but I think about two hundred altogether. I have heard so.

Q. Of which number, how many would be classed as laborers and workingmen, such as openers and packers?—A. I don't know that. There are ten appraisers and one assistant appraiser. I don't know how many examiners, openers, and packers.

Q. I understood you to say that during the working-hours every package that comes into the public store is practically in charge of the laborers under the labor-contractors until they are delivered into the hands of the examiners?—A. Yes, sir.

Q. And that so long as they remain in the public stores all packages are practically in charge of the day and night watchmen of the labor-contractors also?—A. Yes, sir.

Q. And neither the laborers nor the watchmen are sworn officers of the Government?—A. Neither of them.

Q. They give no security to the Government of any kind?—A. No, sir; I always reported against that as being in my judgment wrong.

Q. I think that is very apparent, and I am very glad you have done your duty about it. You have spoken of investigations made upon complaint of lost goods from the public stores; if I understood you the course of that examination was to pass it through those three different departments. First your own, then that of the labor department, and then through the appraiser's department?—A. Yes, sir; the main point was to determine in what condition it came into the store.

Q. That is determined in your department?—A. Yes, sir; by my books.

Q. Now, in those three departments, the number of employés, as given by you, are fifty-seven in your department?—A. Fifty-six; myself and fifty-five others.

Q. Sixty-eight under the labor-contractors?—A. Watchmen and laborers together.

Q. And two hundred in the appraiser's department?—A. That is a rough guess; I think it is about that; it is always supposed to be about that; that is only a hearsay report. I have frequently in written communications to parties stated that the whole number of people employed in the public stores, two hundred in that department.

Q. Then there are more than three hundred and twenty in respect to whom these investigations would have to be conducted by you?—A. The appraiser conducts his own investigation.

Q. He makes his report to you in every case?—A. Yes, sir.

Q. Isn't that a most unsatisfactory mode of proceeding?—A. Well, sir, can a better one be devised? I am very anxious to devise some way.

Q. I will take your judgment of the satisfactory character of an investigation conducted under such circumstances and among so great a number of people.—A. It is unsatisfactory, I think.

Q. I will come now to the subject of cartage. Was the cartage done last year under contract?—A. Yes, sir.

Q. How is that contract made?—A. That is made in the third division, I think, in the custom-house.

Q. Does the contract call for a gross sum per annum, or so much a package?—A. I think they give bonds, and I think the contract they sign is for so much a package. Mr. James could tell you all that. I know very little about the contracts.

Q. Then, I suppose, I ought not to detain you in inquiring about the matter?—A. I have very little knowledge of any department but my own.

Q. You spoke of your average for the last year as being 34.60 cents per package?—A. Yes, sir.

Q. That would indicate there was no sum per package fixed in the contract, unless you mean to say that the packages were classified?—A. I pay it by a fixed sum, according to those regulations which you have there. There are very few exceptional cases, which are taken out of that category.

Q. You didn't state that before?—A. Perhaps not.

Q. You pay according to these rates here?—A. Yes, sir; with these few exceptions that I have stated, those are the established rates which govern me in the payment of the cartage.

Q. Do you keep a receiving and delivering blotter at the door?—A. No, sir; no delivery-blotter.

Q. Then, is there one book that shows within its two covers what goods go out of the public stores?—A. O, yes; our book at the office shows every package that has been received; and when it is delivered it is closed upon the books, and it shows that it has been delivered.

Q. Are the goods received and delivered at the same door?—A. O, no; entirely distinct. We have but one receiving-door at the present time, and three delivering-doors.

Q. Then, I don't understand, upon that statement, without more being added to it, how the same book answers for a receiving-book and a delivering-blotter.—A. These receipts are copied into the books when the goods are delivered.

Q. When they are delivered?—A. Yes, sir; and the books are closed from those delivering-receipts.

Q. Copied into what books?—A. What we call keeping our books.

Q. The general books?—A. When we see an account of the package when we deliver it, we close it in the same book. There is an account of the package, and a delivering on the side closing it.

Q. Those are the books in which you post, as it were, all the transactions?—A. Yes, sir; that is our record, to show what goes wrong.

Q. Those are the books in which you post, as it were, all the receipts and deliveries at the public store?—A. Yes, sir.

Q. Is each steamer under a separate head, by itself?—A. No, sir; there are certain lines of steamers—the continental steamers, the English, Glasgow, and Liverpool steamers.

Q. Is there a book for each line?—A. No, sir.

Q. Is there a head in each book for each line?—A. Yes, sir; for each steamer. I don't think we keep them by lines; we keep them by classes of steamers. For instance, we say continental steamers—those cover a large portion of the continent—and then we say Liverpool steamers.

Q. Then you don't specify any steamer by name?—A. Always by name in these books. In these books you will see the heading.

Q. Let me see if I understand you. Suppose the steamer Russia arrives at this port, into what part of the book are the packages posted that are received by her; are they posted in a book by themselves?—A. O, no, sir; they are posted into a general book that takes a certain class of steamers—perhaps the English or Liverpool steamer. Each steamer has a proper head in this book, which has an index. You look for the steamer Russia, and you will find everything by the Russia under the head of the Russia.

Q. Under a separate head?—A. Under a separate head entirely.

Q. That is what I understood in the beginning.—A. I didn't understand you at first.

Q. That, of course, enables you to refer at once to the proper head in regard to the steamers?—A. There are three men answering this question all the time: "Have you got those packages from such a steamer?" They turn to the book, and see the steamer Russia, and find the number and mark of the package, and a record of its being delivered or not, and whether it is closed or not.

Q. What is the longest period that a package remains at the public store?—A. I can't tell you. Do you mean legally?

Q. I mean actually.—A. I couldn't tell you. I have the privilege, if we get very much crowded, of getting rid of those goods by sending them to the general-order store; but I never exercised it, because I think it is an improper thing to tax the merchant with this expense.

Q. The point, sir, I want to get at is a very small one: How long does a package remain in the public store before it is actually delivered; how long may it actually remain there after the appraisers and examiners have done their duty by it?—A. We have had packages there for a very long time, when questions have arisen as to the importation—whether it was a proper importation and a proper classification.

Q. So long as it was subject to a pending inquiry?—A. Yes, sir. I had a case occur on Saturday, where I wrote to a man—

Q. Tell me how long you have known packages to remain there under those circumstances?—A. Well, sir, I have known packages of metal to remain there six months. There were questions pending in regard to them.

Q. Is that the longest period you have known?—A. No, sir. I think there are packages in the store now that have been there a year; but, then, those are rare occurrences—those instances are few.

Q. I suppose I am correct in saying there is a considerable number of unclaimed goods from year to year?—A. Yes, sir.

Q. That is to say, goods that are not claimed for a year, and are claimed as unclaimed goods?—A. Yes, sir. I have very often a requisition made upon me from that division (Mr. Hayes's department) to send all we have had over a year to this room for sale.

Q. Is there any such thing as a balancing of the books in the public store at certain periods?—A. No, sir; there are times that we take account of stock.

Q. You take an account of stock; how is that conducted?—A. It is conducted by taking all my clerks in my store, after business hours, on some day that we are not very much pressed with business, and distributing them all through the store to do a certain thing, and give an account of the packages. The object is to see if there are any packages that have not been delivered that are still on our books, or *vice versa*. Since I have been there, out of all these packages received, we have yet to learn of the first case ever lost by improper delivery.

Q. Do you make an examination to ascertain what number of packages received into the store are still there, remaining in the store?—A. Yes, sir; frequently.

Q. Do you find that number considerable?—A. At times.

Q. How often do you take that account of stock?—A. Every three or four months. I haven't taken it lately, until some three or four weeks ago. One package got adrift, and we found it by taking an account of stock, and we are now getting it back. That is the only package I ever knew to get astray that we have not, as yet, got back, in all the deliveries from that store.

Q. Do you think that the badly lighted places and the rooms in the public stores are calculated more to favor pilfering than to prevent it?—A. If I should express an opinion, sir, I am averse to those closed-up places for examination. If I had charge of the appraiser's department I should want the whole examination on one floor, and I would have them all mixed up together.

By Mr. HOWE:

Q. All in one department?—A. Yes, sir; all on one floor. The more you have around the less chance there is for pilfering.

By Mr. CASSERLY :

Q. You agree that badly lighted rooms and dark places in a building like that are calculated to admit of pilfering and not to prevent it?—A. Well, sir, the floors are so public in the day-time that I don't see much facility for pilfering cases in the day-time, either by my force or by the labor-contractors, because there are so many people on those floors constantly in the day-time.

Q. Do I understand you to say that a badly lighted room is just as good in that respect as a room thoroughly lighted?—A. O, no; I don't say that.

Q. I know you mean to say that, but I want you to state what you do think as to the disadvantage of badly lighted rooms and places in the public stores, as regards the facilities for pilfering.—A. I think that is the case.

Q. You think they do offer facilities for pilfering?—A. I think there are greater facilities in such a case than under a great light, of course.

Q. There is one other point that I desire to ask you about. I have a memorandum here showing that packages sent up into the appraiser's department are usually returned the same day. Is that what you meant to state?—A. I meant to state that when they call for the packages they probably examine them on the same day and then turn them out.

Q. I don't understand you now. Please repeat your answer.—A. When the examiner has his invoice he sends for the package, and he sends for it for the purpose of examination. He makes that examination, as a general rule, outside, and then turns out the package to the floor of the store.

Q. In that case you say the time they are in the examiner's hands is quite short?—A. I should think it would be in the examiner's hands.

Q. The point I want to get at is whether you meant to say, or did say, that when the packages are sent into the examiner's department, invoices being there, they are usually returned by the examiner the same day?—A. No, sir; I didn't say—I didn't mean to say it.

Q. What is the detention after the packages have gone into the appraiser's department?—A. The practice is, after they have got through one day's work, to lay their floors, as they call it, for the next day; that is, to require the cases to be sent in from the floors to the examination room. In the morning they can make that examination.

Q. I observed when we were in the store the other day that many of the packages were antedated.—A. How do you mean antedated?

Q. Well, marked as received in the appraiser's department as of the following day. For instance, suppose we were there on the 14th of January, and we saw several packages there marked "Received in the appraiser's store January 15." I suppose that is what you meant by laying the floors for the next day?—A. That is the custom, to lay the floors in the afternoon, after they have got through with the labor of the examination. If they put an indorsement on the package, "Received on the 14th," and didn't examine it until the 15th, I don't think that is a practice.

Q. Is that a practice that might lead to abuse that you can see?—A. Yes, sir; because the record then would show that the appraiser had charge of it really, and that it was on his floor before he really had indorsed on the package that he had charge of it; I wasn't aware of that fact.

Q. I have no doubt it will interest you to inquire about it at your earliest convenience.—A. Yes, sir.

Q. Do I understand you that where a package is marked "Bad order," the mark is put on at once?—A. Yes, sir; with the rarest exception imaginable. It is the invariable practice, and my directions to the receiving clerk always have been, that the moment a package comes in there, having the evidence upon it of having been tampered with by having American nails in, or having a band or hoop broken, or anything done to it, his duty is to mark it in bad order.

Q. Does he return anything to the carman indicating that fact?—A. No, sir; not at that time. He puts it immediately on the ticket, and that ticket goes in to the cashier, and it isn't returned until later.

Q. Does he ever give the carman anything indicating that fact, that the package was received in bad order?—A. No, sir.

Q. What protection, then, has the carman against liability for the condition of the package?—A. What protection would he have if it was stated in bad order and given to him?

Q. Suppose the inspector, when he delivered the package to the carman, failed to mark "Bad order" on the ticket; that, of course, would be a clean ticket and would indicate good order. Now, the package in the same condition precisely arrives at your store; you have a sharper man or a more cautious man, or it is possible that you have a man less competent than the inspector, who marks "Bad order" on the ticket, yet the carman has delivered that package precisely as he received it; what protection has he?—A. That is a wrong in his taking that package and giving a clean ticket. Suppose he damages it on the package?

Q. I am not supposing such a case.—A. Suppose he bring a case in good order?

Q. Well?—A. Then I don't mark it "Bad order."

Q. It is possible, isn't it, that two men might disagree as to one package, whether it was upon its outside appearance in bad or good order?—A. All the parties interested would look after that.

Q. Have you no answer to make about that than the one you have given? I am supposing a case carried by the carman just as he received it from the steamer to the public store; the inspector regards it as in good order, and your clerk regards it as in "Bad order." What protection has the carman in such a case as that?—A. I stated that the carman gives it to the dock-clerk and not to the collector.

Q. But he gives a receipt precisely according to the inspector's ticket, does he not?—A. He doesn't give any receipt to the inspector.

Q. His receipt to the dock clerk, so far as good and bad order is concerned, is according to the inspector's ticket?—A. Yes sir.

Q. Now, I want to know in such a case as that what protection the carman has against an unlawful claim?—A. Well, I can't understand the question in that way; I can't conceive of any claim that anybody could have if he brings it in good order.

By Mr. HOWE:

Q. The idea is this: the Senator puts a question to you of a case that is dispatched by the inspector with a ticket which marks it in good order—a clean ticket; the carman brings it to the public store, and your receiving clerk adjudges that it is in bad order, for some reason or other—perhaps the inspector was careless, or perhaps it is in bad order, and he pronounces it in bad order, whereas the inspector pronounces it in good order. Now, if your receiving clerk told the truth and the inspector told the truth, there is an alteration which has taken place between the time it left the inspector and the time it gets to your store?—A. I don't understand that the inspector has anything to do with the good or bad order of the case.

By Mr. CASSERLY:

Q. My exact question was, that the carman did his duty, and had a package just as he received it, but there was a difference of opinion between the inspector at one end of the line and your clerk at the other end?—A. I should be happy to answer it if I could.

Q. It is very plain that your custom is wrong in not giving the carman at once to notify him of the decision made by your clerk?—A. There has never been an instance where a carman didn't get his ticket and his cartage.

Q. You haven't mentioned that before.—A. I mention it now.

Q. What does take place where your clerk marks a package in bad order and the carman objects?—A. The carman don't object at the time; he don't know anything about it.

Q. That is exactly where I want to bring your attention. The carman knows nothing about it at the time. When does he know of the fact that "Bad order" has been put upon a package delivered to him at the door?—A. Well, he can know it at the moment.

Q. Well, as a matter of fact, when does he know it?—A. I don't suppose he knows it until he takes his ticket back to the ship.

Q. When does he get his ticket back to take back to the ship?—A. Whenever he chooses to ask for it; he may take it the same moment that he asks for it.

Q. Well, as a matter of practice, if that does not take place, it does not happen that he takes it back at the moment?—A. No, sir. Will you allow me to explain why?

Q. Let us get the fact established.—A. That is a fact. The carman and inspectors all prefer to leave their tickets in the hands of the cashier, and then they return, when they close up their cargoes—when they want to make their returns of the cargo. They generally get their cartage once a week. They prefer that, on account of the frequent loss of tickets by their hats blowing off into the mud. My instructions are, and in no case have they ever been disobeyed, where a carman wants his ticket back and his cartage he can always have it.

Q. I understood you to say that the practice in the transaction of business is, that the tickets are delivered to the carman at the end of each week?—A. Yes, sir; that is, the large carmen.

Q. And until then he doesn't know what marks have been put on the packages?—A. No, sir.

Q. One more question: When "Bad order" is marked upon a package is that not a full answer to any claim for pilfering from that package?—A. It is, to a certain extent.

Q. Now, suppose a case where the package was in perfect order, or where, though apparently somewhat damaged, nothing had been abstracted, wouldn't "Bad order" be an occasion for pilfering in the stores?—A. Yes, sir.

Q. Do you think of any remedy for it?—A. I have thought perhaps it might have some influence in the matter not to mark "Bad order" on the packages. That has occurred to me.

Q. You received and delivered, I think, an average of over seven hundred packages?—A. Seven hundred and thirty-three packages.

Q. Every working-day?—A. Yes, sir.

Q. For last year?—A. Yes, sir. That wasn't large comparatively.

Q. Still it produced a certain amount of bustle and hurry and business?—A. Yes, sir.

Q. Do you think that sufficient time is always allowed to the receiving clerk, however expert and quick he may be, to make these marks with justice—to mark "Bad order" with justice?—A. Yes, sir. We have a marker who stands at the door with three or four stencil-plates. He is very expert, and the moment he is told to mark it in "Bad order" it is done instantly.

Q. How many receiving doors have you had open at one time?—A. I never had but one door. I have promised to open another, and I will do so in two or three days.

Q. You received at that one door one-half of the whole number of packages that are received and delivered in a year?—A. We have, sir.

Q. That would be three hundred and fifty a day?—A. I received in a day seven hundred and thirty-three.

Q. You received in a day—I thought you said received and delivered?—A. No, sir. I said, and about the same amount delivered. I spoke of the 22,670 packages received in the store, and the deliveries were about the same number.

Q. That makes my case all the stronger. You have seven hundred and thirty-three packages received at one door in a day on an average?—A. Yes, sir.

Q. How many hours do you have in the day?—A. It depends entirely upon the press of business. I have received one thousand two hundred and eleven packages in one day. I received yesterday over one thousand cases.

Q. How many working-hours do you have?—A. From 8 o'clock in the morning I have kept the store open, probably contrary to the regulations, to accommodate the people getting the goods in, sometimes until 9 o'clock at night. For two months it hasn't been open after six. We close now at sundown.

Q. Sundown is earlier than 6 o'clock?—A. Five o'clock and eight minutes.

Q. And you open at 8 o'clock?—A. Yes, sir.

Q. You think that is about a fair average day's work for the year—nine hours?—A. Yes, sir; about that.

Q. I will take it at any number of hours you choose; we will call it nine hours, which makes it, under your figures, eighty packages an hour?—A. I would make it, probably, longer than nine hours.

Q. Well, make it as long as you please.—A. Take the whole of last year; I would make it ten hours. I have taken seven hundred and thirty-three as the average of last month.

Q. I thought you said the daily average for a year?—A. Yes, sir; it is an average for a year.

Q. That would make seventy-three an hour; that is more than one every minute?—A. Yes, sir.

Q. Now, do you think that any receiving-clerk is expert enough to put his mark of "Bad order," with justice, in some cases at least, on the packages?—A. There are four men who scrutinize that case when it enters that door, and some one or other of them will always detect evidence of bad order.

Q. I am speaking of what takes place at the door, where your receiving-clerk puts his stamps on the boxes.—A. He doesn't put the stamp on. The marker, under his direction, does it. He takes his pen and puts his initials on the ticket.

Q. Do you have more than one receiving-clerk at a time?—A. No, sir; but we are now opening another door.

Q. I am speaking now of what has passed, not what you are going to do. Do you still say that, receiving packages at the rate of seventy-three packages an hour for ten hours, a receiving-clerk can have time enough to put that mark on with reasonable accuracy and justice?—A. I do, sir, from the fact that yesterday, before 6 o'clock, he received over one thousand packages.

Q. How many mistakes do you suppose he makes in the course of putting that mark on?—A. I think very few.

Q. In proportion to the number of times he applies the mark?—A. Very few.

Q. I understood you to say that you have thought it might be best to omit that mark on the case?—A. It is a sort of advertisement that the case has been tampered with.

Q. To the men?—A. To all parties in the store.

Q. It also furnishes an occasion for pilfering there?—A. Well, it would naturally do so.

Q. I understand you to say it is a full answer for any claim of pilfering?—A. On the presumption that if there is any pilfering going on, it is from cases marked in "Bad order."

By Mr. HOWE:

Q. Senator Casserly was trying to get at the protection of the carman against these

stamps being put on. I want to know if it often happens that a case is delivered at your door which your clerk finds in bad order, but which is accompanied by a ticket which marks it in good order—a clean ticket?—A. The ticket does not, that I am aware of, describe any order about the case. It is a clean ticket always. There is no bad order indicated on the ticket, as I understand, by the inspector.

Q. I understood you to say on the outset that the ticket did mark it in bad order, if it was in bad order?—A. No, sir.

Q. Now, does the inspector who sends the package from the dock ever mark the package in "Bad order"?—A. No, sir.

Q. He never does?—A. Not that I am aware of.

Q. No matter, then, how he receives the package, and in what condition he receives it, he makes no memorandum of its condition?—A. No, sir. They sometimes do what they call "cooper" a case on the dock. I think that is done by the ship-owner's people. If a case drops out of the slings and they damage it, they try to put it in some cartable order.

Q. But the first record that is made of the condition of the package, I understand you now to say, is made when it goes to the public store?—A. Yes, sir.

Q. How, if it is a package which has gone into the general-order store?—Well, sir, if it is brought to us, we receive it in the condition we find it, and if it is in bad order we indorse it so.

Q. Do packages ever come to you from the general-order store that are marked in bad order?—A. As received by them in bad order?

Q. Yes; or delivered in bad order there. Do packages ever come to your store from the general-order store with the stamp of "Bad order" upon them?—A. I think they do so. They, of course, give their receipt for them, whether in good or bad order.

Q. Who gives the receipt for them?—A. The store-keeper, I take it for granted. I don't know the practice in the general-order stores at all. I only know when it comes to me what my practice is there.

Q. Do you know whether goods do come to your store from the general-order store with that stamp upon them?—A. I have no doubt they do. That is the only answer I can make to that. I have no question about that.

Q. Do you know that packages come to your store from the general-order store without that stamp upon them?—A. O, yes.

Q. They do?—A. Yes, sir; without a doubt.

Q. Now, do you know one thing more—whether packages ever come to your store from the general-order store without the stamp of "Bad order" upon them, but upon which your receiving-clerk puts that stamp?—A. I don't understand your question.

Q. Sometimes you say goods are sent from the general-order store to your store with the stamp of "Bad order" upon them?—A. Yes, sir.

Q. Sometimes they are sent without any such stamp upon them?—A. Yes, sir.

Q. Now, I ask you if goods ever are delivered at your store from the general-order store without the stamp of "Bad order" upon them, but upon which your receiving-clerk puts the stamp?—A. Yes, sir.

Q. What, sir?—A. I think they are.

Q. Do you or do you not consider, since the package comes to you without any stamp on it—do you not hold that to be evidence that it was delivered to the carman in good order?—A. Yes, sir; I should think so.

Q. And since you find it in bad order do you or do you not consider that to be evidence that it has been damaged or injured while in possession of the carman?—A. I should, if they gave a clean receipt of it at the store.

Q. The ticket was clean?—A. Yes, sir.

Q. There was no depreciation upon it when he took it, but you depreciated it when you took it; that you consider to be evidence that he depreciated it?—A. Yes, sir.

Q. And it was injured while in his possession?—A. Yes, sir.

Q. Now, when that case happens, what do you say to the carman, or when do you call to him to account for it? You have a carman before you with a package of goods, with plenary evidence that he has damaged the package; the evidence is there, the case is there, and the man is there; what do you say to him and what do you do to him?—A. We don't take any notice of him at all in any way. We take the package and receive it as in bad order, if it is so estimated to be.

Q. You don't ask him for an explanation of that difficulty?—A. That must necessarily be a future matter to investigate. You see how impossible it would be for me, at one end of a building, in my office, to investigate that case and report on the carman without going into an investigation.

Q. But if you were to send a messenger to any store in this city for any article of merchandise, a pitcher, for instance, and your messenger should bring you back a broken pitcher, would you take it and put it away on your shelves and institute an investigation some time after to determine whether your pitcher was broken by the messenger or delivered by the merchant to him broken?—A. I should think not, sir.

Q. Here, then, is your clerk, who receives at the hands of a carman a package dam-

aged, and with, as you hold, plenary evidence that it was damaged by him, why can't he as well ask the carman to explain how he caused that damage, as for you to examine the messenger how the pitcher was broken?—A. That he would be called upon to do when the investigation took place.

Q. Why should it not take place then and there, when the carman, his package, and the proof is there?—A. I think it would take too long a time to go into any such matter at the receiving-door, in our hurry of business. I think it would be impossible to dispose of these cases, and have an explanation of every case that comes in if it is disputed.

Q. Is it because you are so hurried in your business that you can't ask him for that explanation?—A. I think it would be almost impossible to go into that at the moment.

Q. When you take the broken pitcher from the hands of your messenger, you say, "Did you break this, or did the merchant deliver it to you broken?" That doesn't take long.—A. No, sir.

Q. If you found a board started in a package of silks, how much time would it take for your clerk to say to the carman, "You received this in good order, but here is a board started up; did you do that, and how did you do it?" Would that take much time?—A. No, sir; but I think a simpler way would be to let all those parties doubting the marking of these goods in "Bad order" to see the tickets the next morning. That has occurred to me, to give them the opportunity to see the tickets themselves—the inspectors or the ship-owners; to show them the tickets, and to show it was marked in "Bad order" at the time.

Q. The ship-owners don't want to see the tickets?—A. Yes, sir.

Q. I mean in the case that we are now discussing.—A. No, sir.

Q. We are supposing a case coming to you from the general-order store, and that you have evidence that when it left the general-order store it was clean and in good order; but it comes to you in bad order. Now, I ask you whether you can't ask the carman right there how he inflicted this damage or injury?—A. Well, sir, I suppose he says he received it in bad order from the store?

Q. Well?—A. Is that sufficient for me to work upon?

Q. But then you have that one piece of evidence. You have ascertained that he makes an issue with the general-order store, and not with your men. You say, "This is in bad order;" and he says, "It was just so when I took it." Then there is no dispute between you and him, but the dispute is between him and the general-order store. You have ascertained that, haven't you?—A. Yes, sir.

Q. That is settled?—A. Yes, sir.

Q. And you leave him then upon his responsibility as a carman to settle with the general-order store whether they put that mark on it? There would be one point gained, wouldn't there, by asking him for that explanation right on the spot?—A. It might answer the purpose, sir.

By Mr. CASSERLY:

Q. Who keeps the record of packages received at the public store?—A. Which particular record do you refer to; the blotter?

Q. You have stated the number of packages; out of which particular book did you take that statement?—A. That is a book I keep myself, personally. I take an account which is returned to me every morning—the number of packages received and delivered in the store. I have done that ever since I have been there. I make the calculations myself, personally, and not through the clerks.

Q. Does that book state the size of the package?—A. No, sir.

Q. Or the marks and numbers?—A. Nothing of the kind, only the number of the packages and the time of closing the store. I have a return made to me every morning.

Q. What do you call a package; anything that comes put up together?—A. Yes, sir.

Q. Whether it is a cask, or a box, or a ball, or a bundle of steel?—A. Yes, sir; whatever it may be, in one package.

By Mr. BAYARD:

Q. How many packages did you ever know to be carried on one load?—A. That I can't tell you; I have known a very large number.

Q. Well, how many?—A. Well, in very rare instances, I might have known of sixty.

Q. Sixty on a load?—A. Yes, sir; that would be, for instance, bags; some few bags put in another bag, and they would be all classed as packages. That rarely occurs; that is, under the present system.

Q. Did you ever know a number of goat or other skins brought on a cart, and charge one for a package?—A. I don't know of any.

Q. Do you know of any hides?—A. No, sir.

Q. You don't recollect any such case at all?—A. I don't; it may have occurred.

Q. Sixty separate packages was the highest number that you ever knew?—A. No, sir; I won't confine myself to that. I think I have known more than that; perhaps

twice or three times since I have been there. It is considered a great piece of luck by the carmen. I had no discussion, but paid for the packages.

Q. Do you suppose it ran as high as one hundred?—A. More than that, in more than three instances.

Q. More than one hundred packages on a load?—A. Yes, sir; more than that.

Q. Was it two hundred?—A. That I can hardly say.

Q. Each of those was returned by you as a package in your account, and was charged as a package in the cartage?—A. Yes, sir; and paid for as a package. Sample packages come in pretty large numbers on one load; probably one load by each large steamer. It would depend as to their number, or the size. That cartage is paid for by the fee that is charged in the sample-office. That cartage, and the whole of the expense of the sample-office, is paid by a fee that is charged in the sample-office.

Q. It isn't paid by the merchants, but was paid by the carmen?—A. Yes, sir; and it is paid by the merchants.

Q. They got the same pay for each one of the packages as for another?—A. Yes, sir.

Q. How many packages did you see?—A. I should say, in three instances, that I have known something like two hundred to be brought on one load; but that is very rare; I only know of but twice, and, possibly, three times.

Q. According to your average, that made \$70 for handling a single load?—A. Yes, sir.

Q. Do you think that carman lost much money on that trip?—A. No, sir; the returns show that the cartage was cheaper by the package than by the load.

By Mr. CASSERLY:

Q. Are those smaller packages included in this return you have made here of 226,000 for the year?—A. Yes, sir.

Q. And the cost of carting them is inclosed in the total cost of cartage for that year, as you have given it?—A. No, sir.

Q. It isn't?—A. Let me see a moment. Yes; it is the whole thing. I am sure that is the case.

Q. Would there be any inconvenience in letting us see your book for last year?—A. Not the slightest.

Q. I would like to look at it?—A. Do you mean the one I keep myself?

Q. Yes, sir. Is that an official book?—A. It is a mere private book that I keep for my own satisfaction, to know when the store is getting crowded.

Q. Is there any official book or statement kept of the number of packages received?—A. Yes, sir; I swear to this account once a month; the whole return of the receipts and the deliveries, and the account of the cartage paid. My account can be verified in Washington, by the month. What I have stated here is taken from those accounts made under oath.

Q. Have you ever known a case where a package that came to your door marked in bad order was considered by your clerk in good order?—A. I have, sir.

Q. What did he do in that case?—A. He declined in one case to mark it in "Bad order." He is not there now. I told him he took the responsibility; it was mere petulance on his part. It turned out that the case was not pilfered, and he wasn't held responsible for it, but if it had turned out that it was pilfered, I should have held him responsible for the case.

Q. In every case where a package is received into the public store, and it is considered as received in bad order, a stamp is put on it?—A. The letters B and O are put on.

By Mr. BAYARD:

Q. What is the name and official title of the officer who designates which packages shall be sent to the general-order store?—A. The officer who designates that is the receiving clerk.

Q. No; I don't mean that. What is the name and official title of the officer who designates which packages of the invoice shall be sent to the public store?—A. Deputy Collector Morse is one, I think, and Gaylord is another.

Q. Either of those two men can do so?—A. I am not very familiar with the workings of the custom-house. I think those two do.

Q. In case a house here imports five hundred packages of goods, one of those two gentlemen, or either of them, can designate which specific packages shall be sent for examination to the appraiser's office?—A. O, yes; some deputy collector, of course.

Q. Is he unchecked in that direction?—A. I think he is; he has full authority; he represents the collector in the discharge of that duty.

Q. Isn't it entirely discretionary with him to designate which of the packages shall be examined?—A. I think it is.

Q. And, of course, the converse of that proposition is true, those which he does not designate are not examined?—A. That is a fact, sir. The appraisers have still a right to order them all in. They have a right to require all those cases on the invoice to be ordered into the public store for examination.

Q. That is, if they find anything in the package they examine, which makes them desire to examine the others?—A. Yes, sir; for any purpose in relation, their examination.

Q. Now, as a matter of fact, and of practice and custom, is it the custom and the usual practice of the appraisers to designate other and additional packages for examination at the public store than those that have already been designated by the deputy collectors?—A. Yes, sir; I issue those penal-bond orders upon his requisition—upon the requisition of the appraiser. Those penal-bond orders are issued in my office, and I sign them. These occur about on an average of about twenty packages a day.

Q. That is, twenty single packages more are ordered in than the deputy collector ordered in?—A. I should think all of that, as a general thing.

By the CHAIRMAN:

Q. You have under your control fifty-five persons?—A. Yes, sir.

Q. How many of these are officers in the custom-house, and receive a salary; and how many are laborers?—A. We have twelve porters in the whole division.

Q. All the rest are salaried officers?—A. All the rest are clerks and messengers.

Q. Are they salaried officers?—A. All of them, sir.

Q. Who appoints them?—A. The collector.

Q. Does he appoint them with or without your approval?—A. I have nothing to do, sir, with appointments, in any form or shape.

Q. Do you have anything to do with recommending them?—A. Never, except for promotion or for increase of salary.

Q. Do you make any recommendations for appointments?—A. I never have since I have been there, for any purpose or for anybody.

Q. What favor have you received from the appointees who work under you?—A. What favor?

Q. Yes, sir; or favors?—A. Nothing ever, of any description whatever.

Q. None whatever?—A. No, sir.

Q. Are there any of these men employed by the Government whose services are unnecessary or unimportant?—A. I think not, sir.

Q. Have you all the assistance in your direction that you want?—A. I have, sir. At the present moment my division is full.

Q. Couldn't you dispense with a portion of them?—A. I should be sorry to do it—very sorry indeed. At times we have need of all we have, and possibly more.

Q. What is the salary of the clerks?—A. Well, sir, they vary materially. Some boys we have in the cigar department get \$1.50 a day. The lowest messenger's salary is \$800 a year. My chief clerk gets \$2,500.

Q. What do the other clerks get?—A. They get from \$1,800 down to \$1,100; \$900 is the lowest clerk's salary.

Q. Now, can't you get the same services for less salary than that, according to your judgment?—A. Well, sir, I think not.

Q. Do you know of any collusion between these men and any officers of the custom-house by which goods are passed improperly?—A. I know of none, sir, whatever.

Q. Do you know of any by which any compensation is paid or received, over and above their salaries?—A. I know of none whatever.

Q. Do you know anything which you can call an abuse, in connection with your department?—A. No, sir; nothing.

Q. Do you know any fraudulence in connection with the appraiser's department?—A. No, sir; not in the appraiser's department.

By Mr. CASSERLY:

Q. You spoke of boys in your employ. How many are there?—A. Three, employed by my recommendation.

Q. In your department?—A. Yes, sir; in the cigar department, for the stamping of cigars.

Q. They are not sworn, of course?—A. I think they are.

Q. The boys?—A. I think so.

Q. Does it happen that you have in the custom-house persons under age, who are sworn officers?—A. In this particular case. This arises from my recommendation to put in those boys to handle the cigars. It was my recommendation that brought them there.

Q. I want to know if they are sworn officers.—A. O, yes, sir; there is no doubt of it.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

H. B. LORD, having been duly sworn, testified as follows:

By the CHAIRMAN:

Question. What is your occupation?—Answer. I am store-keeper.

By Mr. HOWE:

Q. Have you been familiar with this business of carting goods to and from the public stores?—A. Not so particularly to and from the public stores. I have been familiar with carting, and have carted goods there. I have been familiar with carting for the last thirty years.

Q. Will you tell me what the practice is as to settling the conditions of packages when the carman delivers them to the general-order stores, or at the public stores?—

A. There is only one thing then and there; the receiving-clerk, whenever he receives a package in the custom-house, if in bad order, he tells the carman that he will not receive it unless he receipts for it in such order: "I received that package of goods in bad order." The carman knows perfectly well then, as ever, all about it.

By Mr. CASSERLY:

Q. Where is your warehouse?—A. Naylor & Co.

Q. Where is it?—A. Corner of Water and Jefferson streets.

Q. You are a custom-house officer, are you?—A. Store-keeper.

Q. How long have you been such?—A. Well, I think since May.

Q. Where have you worked before that?—A. In the Government custom-house—anywhere.

Q. Were you in any warehouse business before that?—A. No, sir; never.

Q. What business were you in before that?—A. I have been a carman for many years.

Q. Were you engaged at all in carting for the custom-house?—A. No, sir; I never was. I might have went there. I had an appointment there, but I wouldn't go, because I saw there was nothing in it.

Q. I want to know exactly what you did and what you didn't.—A. That is exactly what I did.

Q. What are your hours at the store of Naylor & Co.?—A. Now it is 8 o'clock in the morning until sundown, and longer, if they request you to stay.

Q. Are you there pretty steadily during those hours?—A. Very steadily.

Q. Have you any business that takes you away from the store?—A. Nothing.

Q. It is your duty to be there and see what comes in and out?—A. Yes, sir.

Q. You have undertaken to say what has been the practice at the public store in receiving packages?—A. Yes; that was a question that was asked me.

Q. When did your experience on that subject commence?—A. What experience?

Q. I am questioning you, understand, first, to what you have stated with regard to the practice in receiving goods at the public stores?—A. My experience has been, off and on for thirty years, and I had the appointment.

Q. Let me see if you understand my question. What opportunities did you have for knowing about the practice at the public stores?—A. Because I have taken goods there, and I have seen. I have been in the door and seen, time after time, and for months, and I understand it. You cannot get a package by there in bad order. It frequently causes a good deal of conversation trying to get them to take it in good order when it is not.

Q. When was the last occasion you were there?—A. Eight or nine months ago.

Q. I understood you to say a while ago that you have done none of the cartage in the customs at all?—A. I had not; I went there to look and see how I would like to engage in it. I staid there four weeks, and examined it pretty closely, and there and then I saw a good deal, and I would not take it, although I had the privilege, because it is not good for anything; a man would lose money in it; with all the ten or twenty thousand that a man makes in a year they do lose money.

Q. Do you state that on your own knowledge?—A. I know from a great many instances. I know in my own judgment, understand, so much so that I would not take it, and the man that could have anything that was very good would be likely to take it.

Q. You are talking of one thing that interests you, and I am talking of another which interests the public. You have undertaken to come here and contradict explicitly the statement of the deputy collector as to the practices in his department at the public stores on the part of his receiving clerk?—A. Not at all; he stated the same thing as I do.

Q. Then you agree with him, do you?—A. I agree with him in so far as no package can go by there that is damaged, not in good order, without being marked, and they won't take them, and the carman understands it as well when he backs up. Mr. Tompkins may not be accustomed to that as I am; he is only one man, and he cannot be in forty different places at once.

Q. We have been talking about what goes on at the one receiving-door in the public store, in Mr. Tompkins's department?—A. Yes; his department is in front, and this is in the rear, quite a distance off.

Q. His department includes the receiving of goods?—A. Yes; he employs sixty hands.

Q. Do you suppose Mr. Tompkins knows the practice in his department?—A. I suppose he does; I have no doubt he does.

Q. Do you suppose that he has undertaken to state it, to the best of his information, upon the stand here?—A. I do suppose so; I heard him testify.

Q. He says the practice is to settle with the carman once a week, and at the end of each week to deliver the tickets to them, and then the carman learns what has been regarded as the condition of the packages as received. Do you deny that?—A. I do; that is not so. Understand me; I say it is not so. They may do it so, but in any instance where I have positively seen them do it, they do not; and it would not be a very clear way to do it. If I, as a cartman, take a package of goods out of the store, I want to know whether I damage it or they do, and whether I am responsible or they are.

Q. In undertaking to contradict the deputy collector—A. I do not contradict him.

Q. —as to a point in his own department, do you rely on your experience of the four weeks that you were looking into this business?—A. I don't contradict him; I want that understood before I go any further.

Q. Then you do not contradict him when he describes the practice in his department?—A. If he practices giving the tickets once a week, I don't know anything about that; but there is no carman takes a package in there that don't know it when he takes it.

Q. There may be two different opinions about that?—A. That is *my* opinion. You seemed to want my opinion, and that is it.

Q. Do you deny Mr. Tompkins's statement, that it is when the settlements are made, once a week, and the tickets returned, that the carmen know generally what has been regarded as the condition of the packages delivered to them?—A. I know that a carman knows it when he takes it in.

Q. Do you deny Mr. Tompkins's statement on that point?—A. Perhaps Mr. Tompkins may be confused in his statement in regard to matters that he testifies about. I say as far as my experience goes, and as far as I have seen it.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

Colonel STOCKING recalled and examined.

By Mr. PRATT:

Question. When you were examined the other evening by me, you stated that, when coming to New York, you brought a letter from Senator Morton?—Answer. Yes.

Q. A letter of recommendation?—A. Yes, sir.

Q. I will ask you to state to the committee whether this is a copy of it.—A. That is a correct copy.

Q. Please read it.

[Witness read the following letter:

“WASHINGTON, D. C., *January 7, 1870.*

“Mr. Wilbur F. Stocking is an acquaintance and friend of mine, whom I have known for several years. I take pleasure in saying that he is a young gentleman of great energy and superior business habits, and in every respect worthy of trust and confidence.

“O. P. MORTON.”

[Indorsement.]

“I respectfully concur in all that Governor Morton has said. I have known Mr. Stocking for several years, and most cheerfully recommend him to favorable consideration.

“Very respectfully,

“WM. F. KELLOGG.
“J. S. HARRIS.”]

Q. Both United States Senators from Louisiana?—A. Yes, sir.

Q. Had Governor Morton any knowledge that you were coming to New York with the design of making application for the superintendency of the cartage bureau?—A. No, sir.

Q. Had he any knowledge that you were coming to New York with a view of obtaining an interest in the cartage business?—A. No, sir.

Q. Not the cartage, but the general-order business, I mean?—A. No, sir; I never said a word to him about the general-order business in my life. This was a general letter of recommendation which Governor Morton gave me at the time, that I wanted to use it for another purpose, and I used it in connection with my other letters when I came here.

Q. Have you reason to suppose that he contemplated your getting any employment whatever in the custom-house?—A. No, sir.

Q. I don't know whether I asked you the other night when I examined you this question, but I desire you to answer it now, whether the charges for storage and labor in the general-order stores are greater than in the bonded warehouses?—A. They are necessarily greater from this fact, that when you put your goods in the bonded warehouse, you make your arrangement with the merchant: you have his marks and numbers; when his goods come in you know exactly who they belong to, and they are all put up by themselves, requiring one handling—when they come in and when they go out. General-order goods come in and are mixed up together, and after they are tiered up with the marks and numbers out, one party will come after their goods, and perhaps they will have to break down several tiers to get them out; and they are then tiered up again, and the next merchant comes, and we calculate they are handled five or six times. Then we have to have a superabundance of room in order to meet any emergency, such as a vessel coming in, and it has to discharge its cargo all at once, or when several ships are delayed by winds and come in together. We have to be ready to take in everything whenever they come. The bonded warehouses can refuse as much as they don't desire, or which is not profitable, and we have to take everything; and, then, there is another reason which I don't think has been touched upon yet. I don't think it would be to the interest of the Government to have the rates in the general-order store as low as in the bonded warehouses. If that were so, you understand that goods are sent to the bonded warehouse, the merchant gives a bond for, and the Government does not rely entirely upon the merchant altogether. In all goods under general order no such bonds are given, and in case of accident or destruction of those goods, the Government loses its value. Now, if our rates were as low, the merchant would not take out a bond, and there would be millions of dollars' worth of goods in this port in general-order warehouses without any security to the Government other than the goods themselves, so that the rate being higher is really a protection to the Government.

Q. Were you present at the time Mr. Tillotson gave his testimony?—A. No, sir, I was not.

Q. He spoke about a certain number of bundles of wire that were sent under general order in your warehouse upon which you charged him, I think, 15 and 15 for storage and for labor, which were subsequently reduced to 10 and 10?—A. Yes. I was asked about that bill the other night, and since then I have investigated it. On that wire we were entitled to 16 and 16, following the rule closely. We put it at 15 and 15; and as he had stated that he could get his storage for less and thought it exorbitant, we reduced it to 10 and 10. He stated, I think, that he could get his storage for 2 and 3; 2 cents for storage and 3 cents for labor, but, notwithstanding that fact, we have in our store two hundred bundles of his wire which has remained there for three and a half months, which he warehoused with us at 10 and 10. If he could get it done so much cheaper, he should have removed it.

By Mr. BAYARD:

Q. Are you aware of the fact that there are stores which store the identical character of goods at a price which makes your charges three or four times more?—A. I am not aware of it. There are houses so situated that they can take that class of goods for nothing, and the competition is so great now that prices on specific articles cannot be taken as a criterion.

Q. Can you frame in your own mind any reason why a merchant should prefer to pay you \$10, where he can get the same services for \$2.50?—A. No, sir.

Q. And yet that is what has occurred in Tillotson's case?—A. That is the fact; the wire is in the store.

Q. It is not a personal favor to you?—A. No, sir. I don't think Mr. Tillotson has exhibited that.

Q. The fact, nevertheless, exists that he has paid you \$10 instead of paying somebody else \$2.50?—A. Yes, and he has paid 8 and 8, right next door to us frequently, for warehousing.

Q. As a matter of fact, I believe you were absent from the city at the time Tillotson's wire-storage matter took place?—A. Yes.

Q. What you are stating to us now, you have no personal knowledge whatever of the transaction?—A. I have the same knowledge which every one has of their business—information from my clerks.

Q. You know there is a good deal of business which you could not answer about in your absence?—A. I refer you to one particular clerk, Mr. Charles Van Sann, to substantiate my statement.

Q. Do you know whether your partner, Mr. Leet, has yet found the letter that was asked of him yesterday, which Mr. Washburne gave him?—A. I do not; I have not seen him to-day; he went to the store to-day and I came here. It requires the presence of one of us most all the time. He will be here this afternoon.

By Mr. CASSERLY :

Q. Where is the original of that letter?—A. I have it somewhere, but I have been living in trunks for a few weeks past, and it has got mislaid. I swear that is an exact copy.

Q. How did you make it?—A. At the time I put my papers in the cartage bureau, I had my clerk make a copy. I afterward asked for the original and received it back.

Q. Do I understand you correctly to say that you did not state to the gentleman who signed that letter what your object was in asking it?—A. I stated that I did not state to him the object of it. I merely asked for a letter of introduction; the letter was written by General Terrell, in Governor Morton's room, at that time.

Q. Is that the Third Assistant Postmaster?—A. Yes; the Assistant Postmaster General.

Q. What did General Terrell have to do with it?—A. He is a personal friend of mine; he was there at the time; he did a great deal of Governor Morton's writing at the time; he worded the letter and the governor signed. He is feeble and has parties to assist him frequently.

Q. Is it usual for distinguished public men like Governor Morton to give a letter like that—a strong letter like that—without knowing the object for which it was to be used?—A. He gave it to me as a letter of general recommendation, which I might use for my benefit at any time; but whether it is usual or not, of course you know as much about that as I do.

Q. I wanted to get the benefit of your testimony, if you have anything to give on that point?—A. Nothing further; there was nothing unusual about it that I know of.

EVENING SESSION.

ABRAHAM E. DATER, sworn, testified as follows :

By Mr. PRATT:

Question. You may state your name, place of residence, and occupation.—Answer. My occupation is a carman; my residence is 176 Waverly Place, New York.

Q. In what district were you a carman?—A. Under whom do you have reference; under Mr. Grinnell or Mr. Murphy?

Q. Well, under either.—A. I was assigned, in the first place, after the appointments were made under Mr. Grinnell, to the first district.

Q. Tell us where that is.—A. Bounded on the east by Broadway, from the Battery to Fulton street, from Fulton street to the East River, by the East River back all around to the Battery; and on the east of Broadway, south of Fulton street, down South street to pier 17; west of pier 17 all the way around the Battery again.

Q. Your first appointment, you say, was by Mr. Grinnell and afterward by Mr. Murphy?—A. Yes.

Q. Where did you cart goods; to the general-order stores, to the bonded warehouse, and the appraiser's stores?—A. I have carried to the general-order stores and to the bonded warehouse.

Q. For how long a period of time were you engaged under Mr. Grinnell in the cartage business?—A. I was appointed in December, 1869, and removed in July, 1870.

Q. When were you appointed by Mr. Murphy?—A. December 21, 1870.

Q. How long did you continue?—A. Continued until the 15th day of April, 1871.

Q. Have any reclamations ever been made upon you for lost goods while you were in the business?—A. Yes, sir.

Q. You may state the facts.—A. There were several made in this form. I brought a bill with me just as it appeared. [Producing bill.]

[Bill produced by witness read as follows:

“OFFICE LIST BROS.,

“100 John Street, New York, February 8, 1871.

“A. E. DATER, *United States District Carman, Pier 17:*

“We have to claim from you the amount of inclosed bill, the package in question having been delivered to you in good condition, and when arriving at the appraiser's stores part of the goods were missing. Your early attention to the matter requested.

“Respectfully, yours,

“LIST & BROS.”

“LIST & BROS., DR.

“To shortages.

To delivery of one package human hair, net on 1 pound 14 ounces, at \$42.....	\$78 75
3 pounds 14 ounces, at \$35.....	96 57

175 32

Pencil memorandum: “Receipted in good order.—A. G.”]

Q. You may state whether you gave a receipt at the dock for those goods in good order.—A. My clerk gave it. I had a clerk at the dock.

Q. Did you pay this bill?—A. No, sir; I found out afterward that the receipt had been signed "good order" for that bill.

Q. So you lost nothing at all on that claim?—A. Nothing at all on that claim.

Q. Have you paid any bills for damages to goods while they were in your possession as a carman?—A. I have; but not under Mr. Murphy.

Q. State any cases that occurred.—A. I don't know that I could, at this moment, bring them to mind. There were several under Mr. Grinnell; some three or four losses.

Q. Is it your practice, when you receive packages of cases upon your truck, to give a receipt for them?—A. Yes, sir; in all cases.

Q. When you deliver them at the appraiser's stores, or the bonded warehouses, do you get a receipt at the time of delivery?—A. Generally, it is the custom with all carmen, when they commence to ship, to get a ticket for each package, and when the shipping is completed we call for the tickets.

Q. Have you ever been made to pay any damage when you thought the loss did not happen while the goods were in your possession?—A. Yes, sir.

Q. State the circumstances.—A. I could not exactly name the particular case, but my men have frequently signed for goods apparently in good order, and when we went to call for the goods they were in good order, but afterward, if they insisted upon it, I had to pay or get out.

Q. Who made that claim, that you should pay or leave?—A. I believe it was at the time of Colonel Stocking's administration.

Q. Do you mean the time he was at the head of the cartage bureau?—A. Yes; at the time he had charge of us. I believe there were two or three cases of wines and liquors.

Q. State the particulars.—A. I could not state the particular cases, but there was one case I know of—a lot of quarter-casks of brandy. I carted them to—I think it was New street; afterward, a bill was rendered for so many gallons lost; the bill was not a very large one.

Q. How do you know but what the loss occurred while your men were engaged in carting the liquors?—A. I had every confidence in the men; I had always found them to be trustworthy men.

Q. What opportunity was there for stealing the liquor in the general-order store? Was it there you were carting?—A. No, sir; they went to 56 New street warehouse. I remember where the liquor was carted to.

Q. Have you any other instance to state?—A. None that I know of particularly. I could not at this moment refer to them distinctly; but I have had several such occurrences as this one. I have shown one. Several bills have been presented on pier 47; but in all cases we went to the surveyor's office, and it seems they had been returned. In all cases it happened all right; and then the people considered the carman was not responsible himself. One or two things of that kind occurred. The merchant would make a demand, claiming there was shortage in the different cases.

By Mr. HOWE:

Q. When were you subpoenaed here?—A. On the 18th of January.

Q. Did you communicate your grievance to the committee verbally?—A. I did not.

Q. Nor by letter?—A. Nor by letter.

Mr. PRATT. I think I can state that some gentleman told me that Mr. Dater had some accusations to prefer against custom-house management, and, without knowing what the particulars were, I mentioned it to the committee, and the committee ordered him to be subpoenaed.

Q. Do you say 1869 was the first of your connection with the cartage business?—A. My first connection with the custom-house cartage business. I had been a carman for nearly thirty years in New York.

Q. You had nothing to do with the custom-house before 1869?—A. No, sir. I was appointed by Mr. Smythe to do work for Howland & Aspinwall. I had been their carman.

Q. How long had you been their carman?—A. About three years. The way it first came about was this: I was an applicant for this position; and they took my line of steamers from me, under Mr. Grinnell's arrangement.

Q. You say that you were carman for Howland & Aspinwall for three years; what three years?—A. I bought out their carman in 1867.

Q. And continued to cart for them for three years thereafter?—A. I continued to cart for them until May 8, 1871.

Q. How happened you to continue carting for them?—A. I was removed from the custom-house. On the 15th day of April I received a letter from them, stating that my services would be no longer required after May 8.

Q. Received a letter from whom?—A. From Howland & Aspinwall.

Q. They were dissatisfied with your administration?—A. I have never asked for an explanation.

Q. Did you ask for an explanation from the collector why you were dismissed from the service?—A. Yes, sir.

Q. What was the explanation?—A. The explanation was that I was indebted to some few men, and they annoyed him, and upon those grounds I was removed.

Q. Were you much indebted?—A. I stated before the appointment was received—General Aspinwall was the gentleman who got me the appointment—I was in debt about \$1,750, but I would be the last man to be an applicant for any public position in the gift of the people.

Q. Were your operations as a carman interfered with any by reason of your indebtedness?—A. Yes, sir.

Q. In what way?—A. I bought out Howland & Aspinwall's carman, and, by their request, got the appointment; and those were taken away from me by Mr. Grinnell making the arrangement he did of appointing Mr. Keyes to the first district. I then went to Mr. Grinnell, and laid my grievances before him. He said he would not interfere with me. When I went to him, I asked him how he came to do as he did. He said he could not avoid it now. He told me to proceed to Washington. I procured the indorsement of three hundred and fifty names, among whom were one hundred and fifty to two hundred leading republicans of the Ninth and Fifteenth wards. I went then and laid the matter before Mr. Boutwell. Four days after that I was sent for, and they sent me in room 9, with Mr. Lindsay, and made arrangements with me.

Q. Was your property at any time attached for debt?—A. It was.

Q. Is it the fact that you are still a good deal embarrassed by debts?—A. I am.

Q. You stated you called on the collector for an explanation of the reason why you were discharged as a Government carman?—A. Yes, sir.

Q. You did not say what reason he gave?—A. He told me that he was annoyed, for I was indebted.

Q. Are there any charges pending against you now in the custom-house for misconduct as a carman?—A. Not that I am aware of. I went there and asked for an explanation in person. Mr. Terwilliger and Mr. Murphy were both present.

By Mr. BAYARD:

Q. What was the reply given?—A. That was the reply—that I was indebted, and they did not wish to be annoyed.

Q. I understand you to say this bill presented you did not pay?—A. No, sir. It was only showing the form of the bills that came in. The case was afterward proved, by an examination of the ticket in the surveyor's department, that it was signed at the public store "O. K."—all right.

By Mr. CASSERLY:

Q. For what stores did you do cartage while you were a United States carman?—A. I did for all the stores in that portion of the district—nine or ten.

Q. For what United States stores?—A. Paterson & Co.

Q. You don't understand me. There are three classes of United States stores—the public store, the bonded warehouses, and general-order stores. Did you do carting for any of these stores?—A. All of them.

Q. And the general-order stores?—A. Yes.

Q. How were your charges regulated?—A. It was according to the distance. It was considered in the first half mile we got 50 cents for 1,200 pounds, as near as they could get at it; for the next half mile, 66 cents; for the next, 84 cents, and so up to \$1, when we went two miles.

Q. Was that before the rules adopted by the collector in regard to the rates of cartage, which fixed them by the package?—A. This was after the collector's arrangement, as I understand it.

Q. Was the cartage done by you according to the rates on the back of this card?—A. Yes, sir.

Q. Did you cart to the general-order store at the same rates?—A. My steamers were within the first half mile, which would be the same as the rates laid down there.

Q. These rates are by the package? It states so here—19 to 25 cents per package. Did you have different rates to the general-order store?—A. The general-order store in my distance, we generally put on as good a load as we could; if large-sized cases, sometimes six, sometimes eight, and sometimes ten, to get it as near as we could to 5,300 or 5,500 pounds.

Q. That is over two tons and a half?—A. Yes.

Q. What did you charge for such a load as that?—A. They generally allowed me \$2 from the dock to the general-order store.

Q. That would average about three packages to the load?—A. It is according to the size.

Q. Do you know what size dry-goods boxes you would put upon such a load as that?—A. According to the weight of the package—probably eight, ten, or twelve.

Q. Not less than eight generally, and not more than twelve?—A. Very seldom less than eight.

Q. And for such a load as that from one steamship line, say the Inman line—A. I had the National line, at pier 47.

Q. Near what street is that?—A. At the foot of Houston street, the second block from the general-order store.

Q. You don't mean Houston street?—A. I mean Houston street. It was assigned to me by Mr. Murphy.

Q. Houston street on the East River?—A. No; on the North River.

Q. You charge from the National line of steamships to the general-order store \$2 for a load, carrying not less than eight and not more than twelve of the ordinary sized dry-goods cases?—A. Yes.

Q. Did you do any carting to the general-order store from Jersey City?—A. No, sir.

Q. Did you understand that the other carmen who did the United States carting from the steamers in the vicinity of the general-order store charged the same or greater rates than you did?—A. I have no way of ascertaining exactly what they charged, although I was personally acquainted with the whole of them.

Q. Do you suppose there was much difference in the charges?—A. No; I don't think there was any.

Q. You supposed they charged about the same rates as you did?—A. About the same rates. I suppose they were as nearly equal as they possibly could get at it.

Q. Most of the steamship lines are nearest to the Leroy street store?—A. Yes; Williams & Guions', the National line, the Inman line, and the French line are within half a mile of each other.

Q. You made no difference in the charges?—A. I had no carting for any other.

Q. The National was about as far off as the Inman?—A. The Inman is about double the distance; the French line is still closer.

Q. In carting, is there any important difference made when the distance is not great?—A. No, sir; if I cart from the National line to the general-order store in Washington street they allow me 66 cents for 1,200 pounds, as near as we can get at it.

Q. State that again.—A. I say that from the National steamship line down to the general-order store in Washington street they allowed me 66 cents a load, which was considered to be 1,200 pounds; a truck load is four times that amount.

Q. And a truck load was not less than eight or more than twelve packages of ordinary sized dry-goods cases?—A. Yes.

By Mr. PRATT:

Q. Who did you say allowed you this?—A. Leet & Stocking.

Q. I will be through in a moment with my part of the inquiry. That would be at what rate for, say ten packages? How much would you get for a load?—A. Two dollars and sixty-four cents.

Q. For ten packages?—A. Yes. That would be considered the second distance.

Q. That would be a little over 26 cents?—A. Yes, sir.

Q. Who did you make your contract with for carting these goods?—A. There are regulations laid down; the stores always paid me.

Q. You made a contract with somebody to convey goods to the general-order stores, public stores, and bonded warehouses?—A. Yes; the collector laid down the regulations. We collected wherever we delivered goods.

Q. Didn't you give a bond to the Government?—A. Yes.

Q. What was the obligation on your bond?—A. The obligation was to fulfill my duty, conveying these goods in safety.

Q. Did your bond specify the rates you were to receive for conveying goods?—A. No, sir.

Q. Who prescribed these rates, the collector?—A. Yes; the collector.

Q. And you received according to the published rates in that schedule?—A. Yes, sir.

Q. That schedule was established, as you understood, by the collector, and approved by the Secretary of the Treasury?—A. Yes, sir.

Q. When you hauled to the general-order stores of Leet & Stocking, they paid you according to this schedule?—A. They did.

Q. And when you hauled to the public store and the appraiser's store, who paid you there?—A. In the public store the man there pays generally on completing each ship; when you call for your tickets he pays you. I got 33 cents a package from my steamers to the public stores.

Q. From the National line, foot of Houston street?—A. Yes; to No. 19 Greenwich street, I got 33 cents for each package, small or large.

Q. What was the average rate you received for hauling to the general-order store—the average per package?—A. At the Leroy-street store the rate was from 15 to 20

cents; sometimes they would be much heavier than others; we might get on a lot of small cases and at other times they might be very large cases.

Q. How was it at the Washington-street store?—A. In the same proportion, only they paid you for a mile distance instead of half a mile.

Q. Do you think you ever received as low as 15 or 20 cents a package for a load at the general-order store?—A. O, yes, sir.

By Mr. BAYARD:

Q. What have been your losses growing out of these reclamations upon you for alleged damages?—A. My loss from that, I think, has been but very trifling; but when I was appointed by Mr. Grinnell, and afterwards removed, I had a heavy stock on my hands, and expecting to be replaced again, I held on with the stock—continued to keep them—which cost me a great deal to do.

Q. It was, then, the loss of breaking up your business arrangements that caused your present embarrassment?—A. Yes; I had double trucks, and continued to hold my stock, and kept on my men, with the expectation that something favorable would turn up in the future.

Q. Were you getting along comfortably and prosperously during the time of your occupation in that business, until you were removed?—A. I was making a living and a little more than paying my expenses.

Q. It was the taking from you of the business that brought on your embarrassments?—A. Before I took the appointment under Mr. Grinnell, my friends were willing to assist me, and therefore went into it pretty extensively.

By Mr. CASSERLY:

Q. You spoke of getting a receipt when you hauled up the goods?—A. When we put the packages on our trucks at the dock we always gave a receipt.

Q. To whom?—A. To the clerk.

Q. To the clerk of the steamer or the clerk of the dock?—A. The clerk at the dock. For all packages that were discovered broken open or nails driven in, we signed for them in bad order.

Q. That receipt goes to the ship?—A. Yes.

Q. You can never see it again?—A. Yes, you can.

Q. It does not come back to you in any way?—A. No; they retain that.

Q. The ticket you carry to the Government store is the inspector's?—A. Yes; that is returned to the inspector, but in future it is to be found at the surveyor's department.

Q. That ticket you allow to lay in the store until the ship is discharged?—A. Yes; they bring that back to the inspector.

Q. And get your pay at the same time?—A. Yes; on the return of the tickets to the inspector.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

J. R. VAN VECHTER sworn and examined.

By Mr. HOWE:

Question. Where do you reside?—Answer. I reside in Brooklyn; that is my home; New York, I might say.

Q. What business are you in now?—A. I am in the appraiser's department; an examiner.

Q. How long have you occupied that position?—A. Two years last August; about two and a half, or a little over.

Q. Did you then enter the custom-house for the first time?—A. No, sir; for sixteen years I was an entry-clerk in the custom-house. I entered the custom-house first in 1849, as an entry-clerk; I resigned in 1862.

Q. What business did you go into in 1862?—A. I went into the manufacture of patent ammunition.

Q. And continued that until you went back into the custom-house?—A. Yes, sir; continued that until I went back into the custom-house.

Q. Had you ever had any acquaintance with merchandise before you went into the custom-house?—A. Yes, sir.

Q. What was the nature of that acquaintance?—A. I went in 1836; I went as boy with A. T. Stewart & Co.; I remained with him until 1844. I then went to Charleston, and had charge of the purchasing—buying part—for a large dry-goods house there; and, afterward, was in a dry-goods house, until my health gave way. I then came on here, and was for some time with Peyton & Co., in the dry-goods business.

Q. We hear complaints of pilfering from packages of goods which passed through the appraiser's store; could you give us any explanation of that phenomena, or make any suggestions as to the prevention of those occurrences?—A. The charges of pilfer-

ing against the public store are, I think, entirely too general. Now I can cite—in my own instance—I can tell you of several instances, one of which I call to mind particularly. A case of goods—they were in a tin case, but the goods were brought from five or six different houses, and sent to one house for packing—on opening the case, the total number of packages seemed to be right—a dozen stockings looked like a dozen stockings, and a box containing a dozen gloves was the size and should contain the dozen gloves. The first box that was opened my man brought it me. The moment my eye rested upon it I discovered that there was a pair of gloves gone. I looked, and said there is two pair of gloves gone. I saw the package closed, and sent for the importer. He came down there, and I says, “Mr. Wordworth, here, again, is one of your cases, and the very first box that has been opened, I see that there are two pair of gloves gone.” I says, “I wish you would open and count these boxes, for it is utterly impossible for me to do it. In two or three hundred dozen, I cannot open and count them all; it is impossible.” He took up a box of scarfs to open it, and said there was one gone. Now, I says to him, “Here are twenty-five or thirty boxes; we will open them”—they were all tied with strings, and were, evidently, never disturbed before. We opened two boxes and found two pair of gloves gone from them, making six pair of gloves and one scarf, and I don’t know how many others. I told Mr. Wordworth if he was not perfectly satisfied, that I should return short what was there, and if he was not satisfied I would allow him everything short in the case if he would stay there and watch. That was one instance.

Q. What decision did he come to?—A. He expressed himself as perfectly satisfied that the goods had not been taken there; but I wasn’t satisfied with his manner. I tell you very candidly with regard to that. I made up my mind that another case of his should never be opened on my floor except in his presence, and he there to look at it. His manner indicated to me that, although he saw the boxes taken from the case, and the strings untouched—his manner was that he didn’t believe but what it was tampered with.

Q. What did you do with that case? Did you go on then and count every article?—A. After I found those four pair, I only counted the dozens of gloves. That is very easily counted; the eye would detect that. I didn’t count every dozen scarfs or hosiery that was in the case afterwards, because Mr. Wordworth was satisfied to take the case that way. If all the boxes had been full, the Government has all its duty. If there are one or two short, that is the importer’s loss. Therefore, I didn’t think it necessary to count each box.

Q. How were the duties settled—upon the case, according to the invoice?—A. I presume the Government allowed him “short one scarf and six pair of gloves.” I returned that invoice “short in case six pair of gloves,” value so much—I forget the exact value—and one silk scarf, value so much; “case full and in good order.”

Q. Suppose, when that case had got to the store, he had found the hosiery short, which he didn’t count?—A. He was there, and saw the case nailed and corded; and the thing left me, and I knew the thing would not be touched after it was corded and sealed, for it goes directly down stairs for delivery. That is not the only case of his that has been short. He has complained several times with regard to it. This is the second instance in which a case had been opened and found short immediately on opening. His goods were bought from five or six different parties, and went into one house for packing.

Q. The second case of his importation, do you mean?—A. The second case. We proved conclusively that the goods were taken out before the box was opened.

Q. You mean the second case of his importation, or the second since he has been in the custom-house?—A. The second importation.

Q. Have other cases occurred under your supervision, in which, upon the opening of the package, you found the goods short?—A. There has.

Q. How frequent are those occurrences?—A. It occurred in my experience three or four times.

Q. Including these two?—A. Including these two, yes.

Q. In those instances, did you invariably send to the importer at once?—A. I did.

Q. And exhibited to him the condition of the cases?—A. I did.

Q. Was there, in either of those cases, reclamation made upon the custom-house for this deficiency?—A. No, sir; not upon the custom-house; that was made upon the ship. They could not make it upon the custom-house. I understood it was made against the ship. Where a case is in bad order, the custom-house does not allow any reclamation for goods abstracted.

By Mr. CASSERLY:

Q. No reclamation on the custom-house?—A. There is no reclamation allowed for goods short in cases where the case is received in bad order, or where it is evident of being in bad order.

By Mr. HOWE:

Q. No reclamation on the custom-house is allowed for deficiencies in any case where

the package is received in bad order? Where do you mean? When it is received where?—A. You must not say in bad order—unless we are able to say “case full and in good order;” that is, when we open the case it is apparent to us that nothing has been taken from it. Then, again, we say, “short in case,” and “case full and in good order.” Then the Government will allow reclamation. But when we say “short in case—case not full,” or “case in bad order,” there is no reclamation allowed; there is no allowance made; the Government does not allow abatement of the duty.

By Mr. CASSERLY:

Q. State those three cases again.—A. On opening the case we find it full, and in apparent good order, never having been disturbed—evidence upon its face that that case is in the same condition in which it left the other side. We say, “Short in case; case full and in good order. Short in case so much,” whatever it may be; “case full and in good order.” Then the Government rebates all the duties. When we say, “Case full, but not in good order;” or rather, when we say, “Case in bad order,” which we always express in this way, “Short in case so much, and case in bad order.”

By Mr. BAYARD:

Q. Then there is no reclamation allowed?—A. No, sir; the presumption of the law being that the goods have entered into the consumption of the country. I will tell you of another case—

By Mr. HOWE:

Q. When you mark the case, “Short, but in bad order,” the Government makes the importer pay full duties, upon the conviction that all the goods on the invoice were imported?—A. And have entered into the consumption of the country.

Q. But, in that case, does it not follow that the goods must have been abstracted from the case after it left the boat, and before it goes to the appraiser’s store?—A. No, sir; it may have been abstracted on the voyage; it might have been abstracted before it ever left the other side, in transportation upon the other side; but there is no means of proving where the abstraction was made. I was going to tell you of a case identical, that would just illustrate my position.

Q. Let me hear the case.—A. I had upon my floor a case in, outwardly, perfect order. It was bound with iron hoops, and had the foreign nails in it. On opening that case I discovered that there were eight corsets taken from it, directly from the top. The remains of the box were there; they had left parts of the box. I sent immediately to the importer, stating that I had found his case short, and it had evidently been robbed somewhere, and requested him to come down. He sent down one of his young men. I opened the case and showed it to him. He said, “Mr. Van Vechter, I am very much obliged to you. I was just about leaving my store to make a reclamation upon the ship for another case, that we have got directly from the same ship, that is in the same condition.” Now, where those goods were taken is the question. My conviction is that they were taken on the railroad on the other side before they ever left. I judge so from the fact that the iron hoops were upon it, and the foreign nails in it; there was no American nails; they were German nails. I have given my reason why I think the things were abstracted on the other side, in their transportation on the railroads there.

By Mr. CASSERLY:

Q. Where was the case broken?—A. The case was not, outwardly, broken at all. The case showed no sign.

Q. The hoops entire?—A. The hoops entire. Not a sign, outwardly.

Q. If you have any idea of the *modus operandi* of the theft, state it.—A. I have a theory that the hoop had been loosened on the other side while in transportation on the railroad. The hoop raised, and the lid raised, and the goods taken out, and the lid and hoop replaced. It seems to me that was the only place where the goods could have been taken, unless it were done before the goods left the factory.

Q. No new nail holes?—A. No, sir. I examined the case carefully to ascertain.

By Mr. HOWE:

Q. That is a very interesting case. Will you state to the committee what reason you have for believing that that package was opened before it reached the boat—while it was in transit to the boat—that you have not for believing that it was opened after it left the boat, and after it got to the public store?—A. My reason for thinking it was opened before they reached the boat is the perfect condition in which it was received. If it had been opened, say in the general-order store, those hoops would not have been replaced. They could not have replaced them as nicely, for I don’t think they would have the facilities. Certainly they would not have on the ship facilities for replacing them. In our store they certainly would not, and could not do it. It would take some little time for a man to manipulate a thing of that kind. It could

have been done in the factory before the goods ever reached the ship, but the case was in perfect order.

By Mr. CASSERLY :

Q. Before the box was closed up, you mean ?—A. It might have been before the box was actually closed.

Q. If it was in the factory, it must have been before the box was closed up ?—A. There was the remains of the box in which the corsets had been put. Corsets come in boxes ; that is, a certain grade of them—fine goods. Each corset went in a box. In this place was the box, and the outside wrapping-paper that inclosed this in the bundle ; and that outside wrapping-paper was there. Where it was done, I don't pretend to say. I give you my theory of what I think. I have no hesitation in saying that I think there is some pilfering done in the public store ; I think very likely there was.

Q. In the public store ?—A. Yes ; both in the public stores and general stores ; but I think the amount is very limited in extent.

Q. Do you think a package of goods ever passed through the examiner's office really short without being reported as short ?—A. I think not. I know it does not with myself, and I think not with others.

Q. In the course of your connection with the appraiser's office, have you never known complaints to be made by a merchant that his package came to him short, which hadn't been reported as short in the appraiser's store ?—A. I have known of such cases.

Q. You have known merchants to complain that their packages came short ?—A. I have known one to complain, and to complain to me of the goods being short in his case when he received it, which I hadn't reported short.

Q. And was it a case which had passed through your hands ?—A. A case which had passed through my hands ; I had critically examined them.

Q. What was your conclusion about that ?—A. My conclusion was that there was one dress stolen from that case on my floor. I don't doubt at all it was taken, absolutely.

Q. Stolen after the examination ?—A. Stolen after the examination. The circumstance I will relate to you, and you can understand it.

Q. One word first : Was it after you had examined and verified the case ? It was repacked by your men ?—A. By my men ; yes, sir.

Q. Under your supervision ?—A. I didn't stand over and see it done ; no, sir ; that I didn't do, and cannot do. An examiner cannot stand there. I have sixty or seventy cases open on a floor, and I cannot stand and see each case packed. I have a general supervision, but, as for standing at each case and seeing it done, that I don't do ; it is not a physical possibility.

Q. Have you no security, no guarantee, that the goods which you find in a case when it is opened goes back into the case, except such security as furnished by the character of the packers and openers ?—A. We have not.

Q. None ?—A. There are four men upon my floor, and one is a watch over the other. I exercise a general supervision over them.

Q. Are there but four men who are employed as openers and packers ?—A. Under me ! I have four under me.

Q. Four men, whose business it is to open and repack cases which you, yourself, individually examined ?—A. Yes.

Q. How many cases do you examine in the course of a day ?—A. Well, it depends upon the season.

Q. What is the extreme limit ?—A. I think seventy-five cases I have passed. My ordinary limit is, at this season of the year, fifty to sixty cases a day.

Q. Will you state the circumstances about the dresses ?—A. It was a lot of worsted dresses, about which there was in my mind a question as to their rate of duty ; whether they weighed three or four ounces to the square yard. I weighed one piece and made my calculations and satisfied myself that they were very close. It would require a very close calculation to determine that question. I went out to the case, had the scales there, and had the entire contents put upon the scales, and I weighed them myself ; they were in a carton, each dress in a paper box ; after taking the weights I told my men to repack the case, and it was done, and it went out and was delivered. The next day the importer came down and complained that one dress was short ; that three or four cartons down—they were laid in piles—he found that one had been torn, a piece rent right out of the top of it, and the dress taken out bodily. I told him that I didn't understand it, but that I would come and see the thing myself. I went there ; I had my memorandum of the weight of the case ; I weighed the case and made my calculations again, and I found that it was just that dress short from my original weight—the weight which I had taken in the public store. I asked for the bill of the thing, and paid for it. I am positively and morally certain that that dress was abstracted from my floor, and the case was so clear that I considered myself responsible.

By Mr. CASSERLY:

Q. That was a pretty bold theft?—A. Yes; it was a pretty bold theft. As they were very nice, soft goods, a man could very easily stow it about him.

By Mr. HOWE:

Q. If you think that was taken off of your floor, you think that either you did it yourself, or that one of your openers and packers did it, do you?—A. I think that one of my openers and packers, or one of the contractor's men. At that time my floor was open and everybody could do it. It was either one of my men or one of the contractor's. I had my suspicions, but I would not avail myself of them, for I could not prove anything at all.

By Mr. PRATT:

Q. Was there any time when any one man could have taken that dress out of the case without the other men seeing him?—A. Yes; my floor had over seventy-five cases upon it on that day.

Q. I understand there were four men around?—A. Yes; and that case stood near the entrance, on the outside, near my room, and one man could have taken it, and no one else could have seen him at all.

Q. How could he have secreted it about his person?—A. They were very soft goods, although very heavy, and could very easily be concealed. A man could put it back inside of his vest, and it would scarcely be noticed, or inside of his shirt. The goods were very soft.

By Mr. CASSERLY:

Q. Have you described the kind of goods?—A. They were water-worsted dress goods; an article known as biarritz.

Q. Were they ladies' dress-goods?—A. Ladies' dress-goods; yes, sir.

By Mr. HOWE:

Q. Is that the only case you have known goods received by the merchant short which have not been reported as short in the surveyor's office?—A. No, sir; it is not the only case that I have known.

Q. How frequent are those cases?—A. Very seldom with me. I have had, I think, only three or four reclamations or complaints since I have been in office, as far as my department is concerned.

Q. In the two and a half years that you have been there, I understand you to say there have been only three or four?—A. That is all.

Q. Three or four reclamations for short goods, which passed through your hands?—A. Yes; which passed through my hands.

Q. How many of these have been in the last year?—A. My impression is three of them.

Q. Three of them in the last year?—A. I think three of them have been in the last year.

Q. Do you remember what were the other deficiencies?—A. Yes, one was a case of kid gloves; a case of leather gloves.

Q. Imported by whom?—A. Imported by Harris Bros.

Q. State what was the deficiency?—A. That case—I took from the case—gloves come in cartons, five dozen in a carton, usually—I took from the case all the cartons except the bottom tier of the case; there were four cartons composing the bottom tier; I didn't think it necessary to take them out; they were in perfect order, and tied up; I counted them.

Q. Counted what?—A. Those boxes that I left in and the others, making my quantity correct, and examined my goods and sent a case to Harris Bros. They sent for me the next day, and I went there, and they asked me how it was that their case was four dozen gloves short; and I told him, and says I, "That is impossible; I counted the case myself." "Well," says he, "Perhaps you didn't take out the bottom cartons." Says I, "I did not." Says he, "Here is the case." He showed me the case and the carton. The bottom had been taken off, and the tin cut at the bottom of the case, and the gloves taken right out from the box, leaving the box there, and from the top looking perfect, but the gloves had been taken out from the bottom.

Q. The bottom of the boxes, or the bottom of the carton?—A. Both; there was a wooden case and tin case, and this carton or paper box. The bottom of the wooden case had been raised; the tin cut in the bottom of the tin case, and the gloves simply torn right out from the carton. They made a reclamation from the ship. I told him that if I had seen it I would not have allowed it. I understood that the ship had paid for the goods, as they told me afterward.

Q. Now, I want to know when you sent that box of goods to the merchant and reported it full to the collector, thus calling upon the merchant to pay duties on the full package, how does it lie in your mouth to say that in fact it was not full?—A. I can-

not say positively except as I saw the thing afterward and saw the carton, saw how it could be done; I cannot say positively that it was not done after it left my floor.

Q. Well, but if the importer induced the steamer to pay for the gloves, that makes him right, of course; but suppose the steamer would not pay for the gloves, and the merchant says he must have his pay, how are you going to get rid of paying?—A. Well, that would be a very hard question to determine. I could simply say, "Gentlemen, it was careless, and if I am responsible for an error of mine in that way, I will pay it." That is all I could say; I could say nothing else; I have no excuse to offer except that it would teach me in future that I must take everything from a case; not take the outside of a package and take it for granted.

By Mr. CASSERLY:

Q. Whose case was that?—A. Harris Brothers.

By Mr. HOWE:

Q. Another instance?—A. There was another instance, but I do not call to mind the name of the importer.

Q. On the whole, do I understand you to acquiesce in this view, that it is the duty of the examiner when he has passed upon a package of goods to know whether it is short or not?—A. It is his duty, unhesitatingly.

Q. And if he says it is full, has he any right afterward to call upon anybody who has handled the package before it came to him to account for any deficiency?—A. No, sir, he has not.

Q. If he says it is full, it is his business to either make it full, or to show that somebody abstracted it after it left his hands?—A. There is a question about that comes up, and which occurs to my mind now, because that very thing came up. I was called upon once by a Philadelphia house, by their broker here, who complained of two pieces of goods being short in the case. I referred to my record and told him that there was so many pieces of goods in the case, and told him, "I am positive; I counted the thing myself." It was a month or six weeks after that that it was discovered the Camden and Amboy railroad men were in the habit of noting these cases from the custom-house with a card and seal on and robbing them between here and Philadelphia. Now, of course, I could not be responsible for that. I know positively that there were forty pieces of goods in the case when I passed it, and when it reached Philadelphia there were but thirty-eight. Now, I could not be held responsible for that, because the case had gone into half a dozen different hands; went into the hands of the Camden and Amboy railroad, and, as had been proved afterward, the men were in the habit of robbing them. If it had gone directly to a house in this city, unless I could say, "Gentlemen, I saw it with my own eyes, and I saw it packed," I should feel that I ought to pay for it. I know it is not customary, but I think I should pay it. During a reclamation made upon me the other day for six pairs of gloves from a California house—the circumstances were so palpable—the man came in to me and brought me a letter. I said, "I don't remember anything about it. I will refer to my book." It was an appraisement-order. The man had no invoice, nothing to tell me what ought to be in that package of goods, nothing to guide me at all; yet I had returned on my appraisement-order ten dozen of gloves. In the letter from California I saw their invoice called for ten dozen of gloves, and yet they received but nine dozen and a half. Now, there, I am morally positive, certain, that I had ten dozen of gloves, and that ten dozen of gloves left the store, were put in that package, corded and sealed; it was done under my own eye; and that went to the express-agent, and the express-agent got ten dozen of gloves from me from the custom-house.

Q. What is the difficulty of your putting on that cord and seal so that goods cannot be removed?—A. No difficulty in putting it on so a large piece cannot be removed; but it is the very easiest thing in the world to break out a little piece, as cases come constantly to us—a little piece the size of your hand, or, perhaps, the size of your two hands—take out a little piece like that, and it is the very easiest thing in the world to hook goods out; take a hook. A cord and seal will prevent the taking of a large package, but not the petty pilfering, the abstraction of small quantities.

Q. You would not put that cord and seal upon a box that had such a hole in it?—A. I would; but that hole would be closed. I would not allow a case to leave my floor received in bad order unless it was put in good order. If there is a hole in it, that hole is patched over; then the cord and seal goes on.

Q. Now, if there is a hole broken in that after you have put the cord and seal upon it, is there no way of detecting where that break was made?—A. There is no way that I am aware of.

Q. When you send it from your room, you send it with that cord and seal upon it?—A. Yes. It goes sometimes directly to the merchant, and sometimes remains in the public store.

Q. But it goes into the hands of the collector?—A. Of the collector.

Q. Now, when he delivers that box to anybody, if he finds the hole in it, does he not know that that has been put in it since it has come out of your store?—A. He ought to, sir; that he does, I won't say; I say he ought to know.

Q. Do you imagine the collector ever did, or ever would, deliver such a box, with that injury in it, without making instant inquiry as to how it came there?—A. The collector would not, sir; but the collector acts through agents.

Q. Would his agents do it; did they ever do it?—A. That I cannot say—whether they ever have done so.

Q. Have you ever known of their doing it?—A. No, sir.

Q. Did you ever hear of such a case?—A. No, sir. I have heard of goods being gone. Whether the goods showed any marks of it after having left our floor I cannot say. If the case goes down in the collector's department, and is not inquired for, it may remain there a week or six months. That store is in charge of a watchman. What is to prevent it? The case contained so much when it left my store, and goes into the custody of the collector. If it stands there six months, don't you suppose a man constantly going through the store would notice a case standing a long time in one place? I had a case of Panama hats on my floor that stood there full eighteen months. I discovered one day that a piece had gone and the hats had gone. I found one of them; it was thrown in the water-closet. Whoever robbed the case got caught at it, or heard somebody coming, and threw it over into the water-closet. That case was investigated, but we never could find out who did it.

Q. How happens it that a case of goods remains on your floor eighteen months?—A. Sometimes the importer don't enter them—he does not make his entries. Sometimes it is a warehouse case, and he does not care to take it out—leaves it in that store instead of sending it to a bonded store.

Q. I thought it was the business of the labor-contractor, as soon as you had examined a case, to— A. This case never had been examined.

Q. The invoice had never come to you?—A. The invoice had never come to us. I said a case; it was a bale—one of those hide-bales.

Q. During that eighteen months, was there or was there not a watch kept upon that floor?—A. The floor is never alone, as I understand it. What occurs at night I really don't know. I know the store has watchmen, but how many, or what they do, I really don't know. The floor is never alone; there is always one or two men. This was not on my examining floor, but on the collector's floor, from which I took the goods—from which I draw the goods for my examination.

Q. How many packages do you ever have on that floor?—A. On the collector's floor?

Q. Yes, at a time?—A. Well, I should think there were at times over two hundred. I think I speak within bounds in saying that I think I have seen as many as five hundred packages there.

Q. On that floor?—A. On that floor.

Q. How many do you ever leave there over night, do you suppose, at the outside?—A. O, two hundred, or three hundred. They come up as fast as we can pass them off. When vessels are discharged they will come in as fast as we can turn them off—faster, in fact, than we can examine them and send them off. There is, probably, now seventy-five cases laid on my floor, waiting for my action to-morrow morning. There is all this afternoon and all to-morrow until 2 o'clock in which packages are constantly being received on the floor.

Q. If I understand, except during the time that these cases are under examination by you and your associate examiners, they are in the custody of the labor-contract men from the time they come into the public store until they come out of the public store?—

A. Yes, sir; the labor-contractor, under the collector. I have always looked upon it as the collector; the labor-contractor has the general custody, but under the collector. I should consider Mr. Tompkins as having the entire charge of the goods. I really never have investigated in regard to that labor-contract, but, as I understood it, they performed the labor, but Mr. Tompkins, the collector, had charge of the goods and directed where the goods should be placed, and received them from the examining floor. In fact, it must be so; it cannot be otherwise; the collector would never place the custody of goods in an irresponsible party. The collector has the custody.

Q. I should think he ought; but he says he has not?—A. There is no question about it; the deputy collector has entire control of it.

Q. I won't pursue this inquiry further with you. Do you know a gentleman by the name of Forbes, who was formerly employed in the custom-house establishment as an appraiser?—A. I do, sir.

Q. Do you know when he came into that branch of the service?—A. It was after February, 1870, but I really cannot tell you exactly when it was.

Q. Do you know whom he succeeded?—A. He succeeded Mr. Gibson, an associate of mine—Thomas W. Gibson.

Q. Did you know Mr. Gibson?—A. Well, sir.

Q. What was his character as an examiner?—A. He was one of the most thorough, efficient, prompt examiners that the Government ever had.

Q. Do you know how long he had been in that service?—A. Well, he is an old man now. He has been in the dry-goods business all his life.

Q. Where?—A. Here in the city, and in Philadelphia.

Q. Do you know with what firm he had been connected in this city?—A. He was with Edward Lambert & Company here for a long time. I have heard him say who he was with in Philadelphia, but I forget now.

Q. Do you know where Mr. Gibson is now?—A. He is associate appraiser in the custom-house at present.

Q. He has returned to that service?—A. Yes, sir.

Q. How long was Mr. Forbes in the custom-house?—A. I think not more than six months.

Q. Did you have occasion to know anything about his efficiency?—A. Well, he took Mr. Gibson's place as an associate of mine.

Q. Which was the most efficient of the two—the most capable?—A. O, Mr. Gibson.

Q. Do you know what Mr. Forbes's former business had been?—A. I do not, sir.

Q. You say that you regard Mr. Gibson as the most efficient?—A. I regard him as one of the best examiners the Government ever had.

Q. Was Mr. Forbes a good examiner?—A. No, sir; he was not.

Q. When Mr. Forbes left that service did Mr. Gibson succeed him again?—A. I think Mr. Gibson took his place again immediately, but I cannot call to mind all the changes we have had there; but my impression is that Mr. Gibson was reinstated and took his place.

By Mr. PRATT :

Q. You expressed the opinion that goods might be pilfered in a general-order store. I wish to ask you a single question in relation to that matter. Considering that two Government store-keepers are always present, that packages are not opened in a general-order store, and that there is a large number of men capable of watching each other, and that every man, according to the rules of the establishment, is observed as he leaves it at night, how do you say it is possible for a package to be opened and rifled?—A. I have been in the general-order stores often. You can lose a man in general-order stores and cannot find him, when the goods are going in freely. A man may be absent two hours in a general-order store and you cannot find him. Therefore, you see that where a man can get behind and hide himself out of sight, he has abundant opportunity to rifle a case. The opportunities are much greater in the general-order stores than they are in the appraisers' stores, in my opinion.

Q. Would it not be the duty of the store-keeper to exercise a supervision over the establishment and see that nothing of this kind was going on?—A. Of course it would; but if he cannot find a man, he cannot exercise that supervision.

Q. And you think it would be practicable to pry open a package of goods where there were one hundred men about, and two Government store-keepers, and rifle it of its contents?—A. I do think such a thing is possible.

Q. And the man could still escape?—A. He could; stow it about him. He could not take a large piece of goods, but anything he could conveniently put about his person.

Q. Do you know of any well-authenticated case of the kind?—A. No, sir, I do not; I say that it could be done; I know nothing of the kind. I say it could be done, from what I have seen in the store. I have had occasion to go there, with my man, to examine goods and determine upon the rate of duties upon a certain grade of goods, which the collector directed me to do at the store. In my experience, I lost one of my men in the store.

Q. What building do you speak of now?—A. Corner of Leroy and West streets.

Q. Is that building so extensive that a man would get lost in it?—A. A man could easily get lost behind the goods. You could make a man hear you by calling him, but it would puzzle you to find him.

By Mr. CASSERLY :

Q. You are assistant appraiser?—A. No, sir; examiner.

Q. You have been in the appraiser's department how long?—A. Two years and a half, about.

Q. Did I understand you to speak of cases of larceny occurring in your peculiar department there during that period?—A. One case.

Q. Was that the case in which you paid for the article?—A. It was, sir.

Q. And that was in spite of your best vigilance?—A. It was, sir.

Q. How many examiners are there in the appraiser's department?—A. There are ten divisions, and I think they average about five examiners to a division. I think that is so; it may be that there are not forty examiners; I really never have taken the trouble to count up.

Q. You also spoke of some cases which had not been reported; some instances which had not been reported of cases short of the goods they should have contained?—A. Yes, sir.

Q. And where goods had been abstracted?—A. Yes, sir.

Q. How many instances of that kind occurred in your department?—A. There was never but this one, to my knowledge—the one that I spoke of; the case of Harris Brothers. I did not report it; I did not see it.

Q. The case of the kid gloves?—A. The case of kid gloves; I neither saw it nor reported it.

Q. You spoke of a theft of one or two Panama hats from a bale of them?—A. How many were taken I don't know; one was found thrown into the water-closet; how many more were taken I don't know.

Q. You conjecture that the thief was surprised and threw it away?—A. Yes, sir.

Q. Do you know whether there were more taken?—A. I do not, sir.

Q. When was that?—A. I think about a year or eighteen months since.

Q. That was not in the department for which you specially are responsible?—A. No, sir.

Q. It was in the department of an associate of yours?—A. Yes, sir.

Q. Have you heard of other larcenies in the department of the forty or fifty gentlemen who are examiners?—A. I have heard that there were goods short in their cases reported by them; I never heard of any that were short and not reported by them.

Q. I am speaking of instances of pilfering in their departments?—A. I think I have heard of one or two instances, sir.

Q. You have spoken of one in your own special department?—A. Yes, sir.

Q. You have spoken of one in the case of an associate?—A. Yes, sir.

Q. And do you mean to say in all the other forty or fifty you have heard of but one?—A. I have heard of one or two; there was one occurring in the third division—a lot of Roman scarfs; I have heard of another in the hardware division, where the man was taken and the articles found on him.

Q. How many Roman scarfs were taken?—A. That I do not know, sir.

Q. Are they costly articles?—A. They are, sir.

Q. Where is the greatest opportunity for pilfering in the public stores; in what department—the collector's or appraiser's or labor-contract department?—A. I can't separate the labor contract and collector's department.

Q. I am a little desirous you should observe that distinction, if you please. In which of the three departments do you consider the greatest opportunity for pilfering exists?—A. You can't separate the labor-contractor and the collector's department; it is not possible; I do not see how it is possible to do it.

Q. Joining them, then?—A. I think the greatest opportunity is before the goods reach the examiner's floor, or after they are received down stairs and lie there a long time uncalled for.

Q. Do the appraisers exercise the right of putting on a bad-order mark in their department?—A. Every case in bad order received on my floor is so marked.

Q. What is the value of that mark in your department or in any other public store; what is the use of it?—A. The use of that mark is, I think, actually no use, when you come right down to it; I don't think it is of any use at all. I think it is used as a cloak, as a convenient get-off; I don't think there is any use.

Q. Used as a convenient get-off?—A. As far as I am concerned, my men have directions never to receive such a case without outwardly so marking it, and never to open a case which has the appearance of bad order, except in my presence.

Q. When you say the mark is a cloak and convenient get-off, what do you mean?—A. I mean a case being marked in bad order, if it is in bad order, the attention would be attracted to it of any person disposed to pilfer, and would take hold of the case.

Q. And if the pilfering is complained of, is it true or not that its being marked in bad order is generally an answer to the complaint?—A. It is generally so considered.

Q. So you think that the mark "bad order" has the effect not only to invite pilfering, but to cover it up; it attracts attention, you say?—A. I think it does. I give you that simply as my opinion. If I was collector in charge of the store, I never would mark a case in bad order.

Q. Is it correct, therefore, to say that such a mark invites pilfering, and also conceals it?—A. Well, I should think you might say so with justice. That is my opinion. I think it might be said so with justice.

Q. Mr. Tompkins testified that he was rather of the opinion that it should be discontinued.—A. I should say so, unhesitatingly. I don't occupy a position that I am called upon to say how it should be done, but I give it as my opinion that it should be discontinued.

By Mr. BAYARD:

Q. Have you stated already what is your department?—A. I have the worsted dress-goods.

Q. Are your duties restricted to the examination of such?—A. Worsted dress-goods, leather gloves, and corsets.

Q. Are your duties restricted to the examination of those articles?—A. They are, sir.

Q. Is not special knowledge and experience requisite for persons in your official position?—A. Yes, sir.

Q. Do you find that the examiners generally have been chosen with reference to their special knowledge and fitness for the places?—A. Well, you will excuse me if I don't answer that question. I don't feel called upon to express an opinion on the capacity of others.

Q. There has been a good deal of question as to fraud upon the Government, and many methods of relieving it.

Mr. HOWE. I wish you would get an answer to that last question. I think it is a very interesting one—the one about the character of these persons.

Mr. BAYARD. A gentleman in his position does not choose to reflect upon his associates at all. I think we understood precisely what his answer really meant.

By Mr. BAYARD :

Q. Our tariff of duties being chiefly based upon the *ad valorem* principle, is it not the chief or the only protection our Government has, in collecting its dues, the just and full appraisement upon its imports? Of course I except the cases where the duties are levied specially.—A. The duties are generally specific, I think; but under an *ad valorem* tariff you must, of necessity, if you wish an honest, full collection of the revenue, have gentlemen of experience and integrity to occupy the position of examiner or appraiser to pass upon the value of the goods.

Q. Is not the matter wholly, though, within the hands of the officers of the Government?—A. Unquestionably it is.

Q. Do you look to the merchant's invoice in your department to know how you should appraise his goods?—A. No, sir.

Q. You don't regard what he swears to?—A. No, sir.

Q. You don't regard what his correspondent abroad has sworn to?—A. No, sir.

Q. You look to the quality of the thing, you say?—A. Yes, sir.

Q. And on that you endeavor to procure the full charge for the revenue?—A. Yes, sir.

Q. Then, can there be, under this system of *ad valorem* duties, frauds upon the Government without the collusion of its own officials?—A. It must be either through collusion or ignorance—one or the other; no question about that.

Q. The collusion may come either from neglect of duty or malfeasance?—A. Yes, sir.

Q. One of them you think it must be?—A. I do.

Q. Do you say, in your experience—because it is to touch other matters connected with the laws that I ask you this question; and my own examination of the question and thought on the subject have led me to the same conclusion that it seems you have come to—that the appraiser exercises a sworn duty and a totally independent judgment in ascertaining the amount of dues to the Government?—A. He should.

Q. That in forming that judgment he does not permit the word or the action of the importer in any way to affect him?—A. Of course not. Well, no, I can't say so broadly as that, that he won't allow the action or word of the importer to affect him. A line of goods may come before me which I think are very low—are not up to the standard of my idea of the value. On seeing the importer, he may produce the evidence to me that he has bought those goods in job; that he has closed out a lot of goods, and has bought them in job, and therefore has had them at so much less.

Q. Then you have permitted him to offer testimony to satisfy your judgment?—A. Unquestionably.

Q. But the results of your judgment are within your own control?—A. Of course they are.

Q. And you do not permit him to do more than to offer testimony, subject to your revision?—A. Yes, sir.

Q. And you give it such weight as you see fit?—A. Yes; I say I do. A matter of that kind is never within the control of the examiner. A question of that kind comes up, and it is submitted to the assistant appraiser or the appraiser, and there the matter is determined. The examiner is but one. The appraiser and assistant appraiser are the parties who decide.

Q. This principle affecting your department would run throughout the entire commerce of the port?—A. Yes, sir; that is my opinion.

Q. You are certain that it is so?—A. Yes, sir; I am certain that is so.

Q. You spoke of the fact of no reclamation for duties being allowed when the case containing the goods was found marked "Bad order"?—A. No; not when it was found marked "Bad order;" where the case was actually found in bad order. The marking I paid no attention to; I never regarded it at all; in fact I never saw it.

Q. I was going to ask you when is that mark, "Bad order," put upon the case?—A. It is put upon the case first by the collector when he receives it.

Q. Instantly when it comes into the public store?—A. Instantly when it comes into the public store.

Q. Of what value is that upon determining the question of reclamation?—A. None whatever.

Q. Of what use is it?—A. I consider it worse than useless; I regard that as worse than useless.

By Mr. CASSERLY:

Q. You put on a bad-order mark in your department?—A. Yes, sir.

Q. The collector puts on one in his?—A. Yes, sir.

Q. The general-order store may put on one, and does put on one?—A. Yes, sir.

Q. Is there any other place where a bad-order mark may be put on?—A. If the merchant does when he receives it.

Q. Before it reaches the merchant?—A. No, sir.

Q. Is any such mark put upon it at the ship or at the dock?—A. No, sir.

Q. Then there are three stages through which the case may go after it is dispatched from the ship, at each of which it may be marked in bad order?—A. Yes, sir.

Q. And in each of those places, as I understand you, the mark is very liable to be made a cover for abuses?—A. So I think, sir.

By the CHAIRMAN:

Q. What class of dry goods come under your examination?—A. All the worsted dress-goods, the leather gloves, and the corsets. Not all the worsted dress-goods, for no one man could do it.

Q. You pay no attention to the invoice, but collect the duty according to your own judgment of the value of the goods at the place they are imported?—A. You misunderstand me. I value the goods according to my own judgment, irrespective of the invoice. If the invoice and my judgment correspond, I pass the goods as correct; if the invoice and my judgment do not agree I hold it for further consideration and consultation with my associates; and also I obtain such evidence as I may find; the opinion of the assistant appraiser.

Q. Then your judgment at first you yield sometimes upon further examination?—A. Unquestionably.

Q. There is a very general complaint of losses by theft in the appraiser's department?—A. I have heard them, sir.

Q. So that if you meet a man in Broadway he will tell you they are numberless almost. Now, can there be any foundation for that and you not know it?—A. No, sir; I think not. That there have been cases is unquestionably true, but that it is to any great extent is unquestionably untrue.

Q. And is public opinion erroneous upon that point?—A. Public opinion is, I think, in error in regard to that, for I should have heard it; I don't hear it.

Q. You occupy a position so you are confident you should know?—A. I occupy a position so that I think I would hear of those things. I hear of them occasionally, but nothing like as public rumor has it.

Q. You have only known of two or three cases in a year and a half?—A. That is all that came under my own personal knowledge.

Q. How many do you think you have heard of?—A. Well, I have heard of two cases of decided pilfering, and I have heard them speak of, perhaps, half a dozen others; it may be eight or ten that I have heard spoken of.

By Mr. CASSERLY:

Q. You stated there were ten divisions?—A. Ten divisions.

Q. Are you likely to know or to hear much of what is going on in all of those divisions?—A. No, sir; I am not; not in all.

Q. That would be what you knew or understood would be confined to how many divisions?—A. Be confined to about five divisions.

Q. And especially to how many?—A. Well, specially to only two.

Q. That is your own division?—A. And the one adjoining me, the third.

Q. What one is that?—A. Mr. Gibson is the assistant appraiser of that; the silk and ribbons.

Adjourned to 7½ o'clock p. m.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

BERNARD HESS, sworn, testified as follows:

By Mr. BAYARD:

Question. I believe you have desired to come before this committee to make certain statements?—Answer. I have.

Q. What is your name?—A. Bernard Hess.

Q. Where do you reside?—A. No. 236 Clinton street, in this city.

Q. What is your occupation?—A. I am at present engaged in the commission and collection business, and am notary public.

Q. Upon what point do you desire to testify before this committee?—A. In respect to the late appointments made in the custom-house, emanating from internal revenue officers; in other words, internal revenue officers have been appointed to the custom-house.

Q. Do you mean by that, that persons have been holding two offices at the same time?—A. No, sir. I beg to state here that those men, some of whom have held positions in the internal revenue service—

Q. Have been assigned to duty in the custom-house?—A. No, sir; they have been discharging a legislative duty, and their connections, while in the internal revenue service, were such that I would like to bring before this committee.

Q. Make your statement.—A. I would like to refresh my memory. I hold here Government property in my possession, which I accumulated while an internal revenue officer. I wish to explain how I got possession of it; how it was used, and how the Government was benefited by it.

Q. Go on with your explanation.—A. If I am permitted, I will give you a history of everything I have got here, and I have not the slightest doubt but the gentlemen of the committee will appreciate it.

Mr. BUCKINGHAM. If you have any complaint to make against Government officials; if you have any grievances which you wish to redress, which are subjects of inquiry before this committee, and which are proper subjects of investigation by this committee, you will state them. Anything outside of that we do not desire to go into.

The WITNESS. I am willing and ready to lay my grievances, not particular individual grievances, before this honorable body. If I mistake not, I sent an affidavit, sworn to by myself, and also sent an inclosure to this committee appertaining to internal revenue matter.

Mr. BAYARD. I cut from one of the newspapers this affidavit of yours sent before the committee. You first state, "That the present Secretary of the Interior, Columbus Delano, was made aware of the facts of the defalcation and frauds committed by one Joshua T. Bailey, a collector of the fourth district of New York, and now a fugitive from justice—which information was totally ignored by said Delano while Commissioner of Internal Revenue—and the loss to the Government could have been prevented had said Delano investigated said charges." My supposition is that the resolution under which we are acting would not permit those matters to be now investigated by this committee. The rest is, that "Deponent holds in his possession United States revenue cigar stamps, which were shown to the said Delano at the same time, together with other credible proof of the frauds, which were also ignored." I do not see, in any of these resolutions under which we are acting, anything that would bring that matter into this investigation.

"Thirdly. That upon my information from internal revenue inspectors, bonds were sent to the United States district attorney in the city of New York, who have violated their office of trust by illegally selling or disposing of said stamps, but no action was taken by said district attorney in the premises. Amount involved, \$20,000." It is my impression that that is not a matter we are now investigating.

"Fourthly. Deponent further states that men are appointed and now hold office in the New York custom-house who have been in the distilling business and largely indebted to the Government from their illegal transactions while engaged in said business. Said appointments were made by Collector Thomas Murphy, and deponent is cognizant of the names of said persons, and will furnish them when called on." That, I think, is more within the purview of this resolution under which we are acting. If you have anything to state on that subject the committee will be prepared to hear it.—

A. I mention first Mr. H. G. Leask.

Q. What is his position?—A. United States weigher.

Q. Where?—A. At the New York custom-house.

Q. What district is he in?—A. I am unable to state that.

Q. When was he appointed, and by whom?—A. His appointment was made, as I have been informed, in the month of October, 1870.

Q. Is he still in the service as a weigher?—A. He is, to the best of my knowledge.

Q. What do you know in regard to him that is detrimental to the public service?—

A. He has been an assistant assessor in the thirty-second district, and, as I was informed at the time by the owners, he was in charge of said distillery. In other words, he was in charge of the Government cistern-room; and the duty, at that time, of the assistant assessor, was to be present when whisky was drawn out of the Government tank or cistern and removed to the bonded warehouse designated at the time, and also to have in his possession a key of the Government lock attached to the said Government cistern-room. This case dates back from August 10, 1867, when I made my report upon the said place; and the place was also seized upon my information, which I furnished by showing that the distillery had the capacity of producing forty-eight barrels of

Jamaica rum a day, or which was termed at the time New England rum, and all I found entered on the book in six days were six barrels, all told—two hundred and thirty-three gallons and a fraction—to the best of my recollection. Under instructions of my superior officer at the time, I employed a man to watch there for thirty-six hours, and, to satisfy myself, I called to his aid a policeman, at midnight, when we discovered that whisky was taken out of the Government cistern; whisky was drawn out of the Government room. The bungs must have been driven out before sunrise in the whisky-room, and said Government officer being present, and it was run out illicitly, and illegally removed elsewhere than in the United States bonded warehouse.

Q. You speak of your official superior. What was your office?—A. My position was internal revenue inspector, assigned to the internal revenue department.

Q. In what department was this?—A. The thirty-second district.

Q. Where was this distillery located?—A. Nos. 22 and 24 Frankfort street. Being satisfied, with all the information I possessed, I repaired to the place in the forenoon and asked to be admitted, in order to make a closer examination of the premises. A man representing himself at the time as one of the owners, or superintendent, as he termed it subsequently, when called upon, asked for my commission; and he refused to admit me, upon the ground he did not know whether the commission was a genuine one; however, if I would bring him a written order from collector Sheridan Shook, or his assistant assessor, Mr. Leask, he would then admit me.

Q. Was that in Mr. Shook's district?—A. Yes. I insisted upon my getting in, in a very affable way, and stated to him the consequence if he would not admit me. I was not disposed to quarrel with the man, and went back to No. 83 Cedar street, and was away about twenty minutes, and reported to Colonel Messmore what transpired. He ordered me to make out a report, of which I have here a true copy, and to which I can swear. He ordered me to watch the place one more night, and see if any assistant assessor or revenue official was assigned to that distillery. I did so, and, in fact, did not find an official there. On the following morning eighteen barrels of whisky went away again under the same circumstances, and in the afternoon, at 1 o'clock, the place was seized. I was accompanied by United States Deputy Marshal Luther Horton, and keepers were placed there, and very diligent search was made, and, to my surprise, I found the necessary Government lock and key, stencil-plates, and other implements necessary to mark the barrels clandestinely, and no officer present. The place was put under close seizure, keepers put in, and on or about the 26th of the same month, fourteen or fifteen days subsequently, the doors were broken open, with the knowledge of the former owners, and forty-three barrels of whisky were taken out of the sub-cellar. They were gone, but I may say I was fortunate enough to get forty-five more, which were placed in charge of United States Marshall Murray.

Q. Was this person you are now speaking of prosecuted further?—A. No, sir. I will admit I was not as well versed at that time in internal revenue law as afterward.

By Mr. PRATT:

Q. Did I understand you to say this was in 1867?—A. On the 10th of August, 1867.

Q. The distillery was seized?—A. Yes; and condemned.

Q. Proceed to where you can connect any of the individuals engaged in this illicit traffic to the present service of the United States and their appointment in the custom-house?—A. There is also a gentleman appointed as store-keeper.

Q. This Mr. Leask was appointed in 1870, I understand you to say?—A. I believe it was in 1870, if I mistake not.

Q. Was he ever prosecuted in the United States courts?—A. Not to my knowledge. I don't believe there was ever any charge made against him, to my knowledge.

Q. At that time what position did this man hold?—A. He was assistant assessor at that time, to the best of my knowledge.

Q. And you say he was cognizant of those frauds?—A. He must have been, because of the books and lock and other implements which I have already mentioned.

Q. To whom did you make the report showing that he had been a party to these frauds?—A. I have not made a report at all, because, as I have already stated, I was not so well versed in the internal revenue laws then as subsequently.

Q. You made no report of these frauds at the time of their occurrence to anybody?—A. O, yes.

Q. Who did you make them to?—A. To J. A. Messmore, deputy assessor of the metropolitan internal revenue department.

Q. He was your immediate superior?—A. Yes, at that time.

Q. You reported to him the connection of Leask in these frauds?—A. I could not specify it so.

Q. Did you do so verbally, or otherwise?—A. I told him how it came about.

Q. How long did Leask continue in the service of the United States as assistant assessor?—A. I am unable to state.

Q. Did he continue some time?—A. To the best of my recollection, I believe he did, some time.

Q. How long before he entered the service of the United States in the custom-house did he go out of the revenue service?—A. In fact, I cannot say.

Q. Did you inform the custom-house authorities—the collector—that this man had been guilty of these illegalities?—A. I did not, nor any other person there, for reasons which I can give.

Q. Explain.—A. On the 8th of October I was also one of the lucky appointees of the custom-house. My commission was sent on, and when I came to be sworn in I was informed that I would have to wait for a day or so. I did wait two days, and also waited another day. I subsequently called upon my friends who indorsed me and recommended me for the position, and was then informed that charges were preferred against me from the Treasury Department, and in spite of all entreaties on the part of my friends, and of all assurances which they gave to me, we could not ascertain the charges. The only excuse given at the time, as I was so informed by the most reliable gentlemen in this city—and I can give the names: such as Colonel Ethan Allen, Silas B. Dutcher, George W. Riblet, and others; some of the parties at the time were sitting in the office; some declared me to be a troublesome customer, and if that needs any explanation I can state what that meant, although I may leave that to your conjecture. I insisted upon ascertaining the charges preferred against me by the Treasury Department; as it was stated at the time, I could not see them, and I certainly had to relinquish the position. I state that because it may seem that I ought to have gone to Mr. Murphy and James Terwilliger, and made them aware of all these facts; but I found it would not have been the first time I would not be heard. Complaints and other statements have been made, and they have been withdrawn, and so, in that case, I refrained from making any mention.

By Mr. CASSERLY:

Q. What had Leask to do with all this?—A. With the distillery?

Q. You have stated that he was guilty in the matter; was his guilt a matter of public notoriety?—A. He should not have permitted the key to go out of his possession.

Q. Was his guilt generally known?—A. Not to my knowledge.

Q. Do you understand me?—A. Yes; whether his guilt was known in the community.

Q. I understand you find fault with Mr. Murphy for appointing him a weigher; if his guilt was not generally known, why was Mr. Murphy to blame, unless he knew it?—

A. I beg to state here that I have not said Mr. Murphy was to blame for appointing him as a weigher at the time, and I have stated here I did not make Mr. Murphy aware of the fact, because I thought it would not be of any avail.

Q. But your complaint is, that Mr. Leask, who is an improper man, was appointed in the custom-house?—A. That is my allegation.

Q. If you can show that Mr. Murphy, as the collector, knew the fact, I think that would be something to which the committee would be willing to listen.—A. I am unable to state, for, as I have already stated, I did not inform Mr. Murphy, and do not accuse Mr. Murphy directly with the knowledge of the man's guilt. That is more than I am able to state.

Q. Was Mr. Leask a man that had a good character when he was appointed?—A. I did not know him at that time until his name was mentioned to me.

Q. I mean when he was appointed to the custom-house?—A. I did not know anything against him at the time, except as I have stated here.

Q. In connection with the Internal Revenue Department?—A. In connection with the Internal Revenue Department.

Q. Is there any other case that you know of?—A. I have a similar one of a store-keeper; he was in the distillery business in the fifth district, and, as it was customary at the time, the bonds were given to the United States for security, which turned out to be worthless, and certainly largely indebted to the Government.

Q. Have you mentioned his name?—A. No; his name is Bremer.

Q. Go on and state the facts.—A. I have stated he has been engaged as a distiller in the fifth district of this city then, but now the third district, and he gave bonds, and all of them, or a larger portion of them, for a faithful return to the Government.

Q. He gave the usual distillery bonds?—A. Yes.

Q. What then?—A. He made a false return.

Q. Was he prosecuted for it?—A. No, sir.

Q. The Government simply condemned the place?—A. Yes, sir.

Q. Was it sold?—A. Yes.

Q. What became of him?—A. He was at liberty until he was appointed store-keeper.

Q. In the custom-house?—A. Yes, sir.

Q. Store-keeper of what store?—A. I am unable to state.

Q. What collector appointed him?—A. He was appointed by Mr. Murphy on the same day I was—the 8th of October.

Q. Was his guilt known to the collector?—A. Not to my knowledge.

Q. Was it pretty generally known?—A. Yes; it was known in the community, to those who knew him.

Q. Did you bring it to the notice of any one in the custom-house?—A. I did not, except, probably, in a conversation I may have had with some man after the 8th of October.

Q. But you say that in his case his guilt was pretty generally known?—A. Yes; those who knew him knew he was in the distillery business.

Q. Among those who knew him his guilt was pretty generally known?—A. Yes, sir.

Q. What is this person's first name?—A. I don't know his first name.

Q. Have you any other case of a similar description?—A. I have not one exactly of a similar description, with the exception of another weigher, who has been in the internal revenue service, and served a while under Mr. Silas B. Dutcher.

Q. What is his name?—A. Mr. Charles Blakey. He was removed, as I was informed, by Mr. Dutcher, and appointed a United States weigher.

Q. When was he removed by Mr. Dutcher?—A. A few months previous, I presume about six or eight months previous. It must have been in the spring of 1870, to the best of my recollection.

Q. Were you at that time in the internal revenue service?—A. I was not. My services in the Internal Revenue Department ceased after the famous McHenry trial, March 24, 1869.

Q. What do you say Blakey did that was wrong?—A. I was informed at the time that he was discharged by Mr. Dutcher.

Q. Do you know the ground of his removal?—A. I do not exactly.

Q. You know that they removed people without any good cause?—A. That is my experience, Mr. Senator. I was better treated; I was removed through the instigation of a certain collector.

Q. J. T. Bailey?—A. Yes. I believe I can show the committee that my testimony is correct.

Q. How long ago was that?—A. March 24, 1869; my services were no longer required and I turned over the property in my possession belonging to the Government as a gauger, and the Commissioner, Mr. Delano, refused to pay me for five months' service.

Q. Do you know any other case of a bad appointment in the custom-house or elsewhere?—A. I don't know in the custom-house exactly.

Q. You have made a statement in this affidavit in regard to United States revenue cigar stamps, which you speak of as having been procured by fraud. What is there in reference to that?—A. They have been obtained by the inspectors first with the knowledge of their superior officers, and instead of applying them to the boxes they sold them for 25 per cent.—in other words, 75 per cent. less than the Government ought to get for them.

Q. You mean they sold them to parties at 25 cents on the dollar?—A. Yes, sir, about that.

Q. How long ago did that take place?—A. That was in December, 1868, when I was appointed special agent by the Secretary of the Treasury for that purpose—to find that out. All those bonds are given under false names.

Q. The inspectors?—A. No; that is the so-called manufacturer.

Q. From whom did you get those stamps?—A. I have got the names of four or five parties. I bought them indirectly.

Q. Were they revenue officers at the time?—A. They were not revenue officers, but the revenue officer's name who parted with them was on them; even the full-priced stamp, where each should be applied to the boxes, sold for as low as \$1.50 a thousand.

Q. This stamp has the name of Lately?—A. His bond is on file; and I may state here that a *capias* was issued but no further action was taken.

Q. Have you got here the name of any man who is now in office?—A. No, sir; some of them are even dead, I may say.

Q. What did those stamps cost you?—A. I paid \$58 for those I had, and the Government value was about \$80; in other words, I bought them \$2 cheaper than the Government charged.

Q. What do you think this committee can do about that?—A. They were shown at that time to Mr. Delano, the Commissioner, with a request to have the case prosecuted; and the amount which could have been obtained is not less than \$20,000; the bonds are on file in the district attorney's office ever since that time.

Q. The amount of that appears to be, you furnished certain information to the district attorney upon which he did not act?—A. Yes; and his successor also.

Q. Who is that?—A. Mr. Pierrepont.

Q. He is out of office also?—A. Yes.

Q. You observe that you have not yet stated any case of an improper appointment, in which there was any information or notice of bad character of the person appointed brought home to the collector?—A. That I could not do.

By Mr. STEWART:

Q. Do you know Mr. Leask when you see him?—A. Yes. I saw him to-night.

Q. Is that the gentleman? (pointing out Mr. Leask.)—A. Yes.

Q. Describe particularly where that sale was.—A. It was in 22 and 24 Frankfort street, adjoining the Frankfort House, I believe.

Q. Did you see Mr. Leask at that time?—A. I did not see Mr. Leask there. I said I did not see him.

Q. How do you know it was his duty to be there?—A. The assistant assessor had to be there at the time any whisky was drawn out of the cistern-room; and Mr. Hesse told me if I would bring him an order from Sheridan Shook, the collector of the district, or the assistant assessor, Mr. Leask, he would let me in.

Q. You think it was his legal duty to be there?—A. Certainly.

Q. And you did not see anything of him there?—A. No, sir.

Q. That is the extent you know of his complicity in that transaction?—A. With the exception I found a lock and key and other utensils in the place, which should not be there in the absence of the officers.

Q. That was in 1867?—A. In August, 1867.

Q. It was the duty of the assistant assessor to be present when the whisky was taken out?—A. Yes.

Q. Was there more than one assistant assessor?—A. There were plenty of assistant assessors in the district; but they were generally assigned to certain divisions.

Q. Do you know whether he was assigned to this division or not?—A. I was so informed that he was there; and I also found two books with Mr. Leask's name on them.

Q. Who was collector then?—A. Mr. Shook.

Q. That was before Bailey's time?—A. Long before Bailey's time. The latter came there in 1869.

Q. The other man, Mr. Bremmer. The charge against him is that he was the owner of a distillery?—A. Part owner of a distillery.

Q. Which was seized?—A. It was seized by Government officers.

Q. Do you know on what charge it was seized?—A. For fraudulently distilling whisky.

Q. Do you know whether he was in the management of it himself?—A. He was. I know it from a man connected with the distillery at the time, and from himself.

Q. He had charge of it, and committed the fraud?—A. Yes; he was copartner. Generally there were four or five or half a dozen engaged in the business.

Q. Do you know whether he personally committed the fraud; do you know the particulars of his connection with this fraudulent transaction; did you learn he was connected with it?—A. I may state here, in justice to the gentleman, that I heard he was part owner of the concern at the time of the seizure by the Government.

Q. When did you learn he was interested in it?—A. At the time it was seized by the Internal Revenue Department.

Q. No prosecutions were had?—A. No more than the place was seized.

Q. No criminal charge made against him?—A. No, sir; not to my knowledge.

Q. Then you have reported none of these matters to the collector?—A. No, sir; not to my knowledge. I have stated that.

By Mr. PRATT:

Q. What was your object for purchasing such a large quantity of cigar-stamps?—A. At that time the Government was swindled out of two or three millions of dollars by stamps being procured by a man not worth five cents, who had charge of it.

Q. Do you know of any of that business going on now?—A. It can't be done since July, 1869, because the stamps have to be procured directly.

Q. Have you been engaged in that cigar business yourself?—A. I have.

Q. A manufacturer or importer?—A. I have been a manufacturer and a seller.

Q. At the time you came in possession of those stamps?—A. No, sir. At that time I was a servant of the United States.

Q. Was it since that time, or before, you were engaged in the cigar business?—A. The last time in 1869.

Q. Did you hold any other official position under the Internal Revenue Department except that of inspector?—A. O, yes.

Q. What other office did you hold?—A. I was on the ninth district and then on the twelfth district, and subsequently ganger in the second district. From there I was assigned to special duty under Supervisor Dutcher, and served until I was removed, five months ago.

Q. From first to last you were in the service of the Government under the internal revenue law?—A. My first commission I held from the 24th or 25th of July, 1867, until the 17th day of August following.

Q. How came you to lose your several positions?

Q. How long did you hold your last position?—A. I was removed for stating what I knew to be a falsehood. I knew that the party who made the accusation against me was deeply interested in defrauding the United States Government. As an official, he accumulated an immense fortune, and enjoyed the immunity of his brother officers.

Q. How did you lose your next place?—A. I was legislated out, sir, according to law. I believe the act passed July 20, 1868, that revenue officers should be done away, and my commission expired a few days previously. On the 14th of August I was appointed to the second district, in Brooklyn.

Q. Did you lose this position?—A. I was about to resign. I tendered my resignation to the Secretary of the Treasury, who ordered Mr. Dutcher to appoint me for special duty, and on that I withdrew my resignation.

Q. While you were connected there you instituted a good many complaints for violation of the internal revenue law?—A. I did.

Q. Were any of them sustained?—A. Some were sustained, and some were compromised without the advice of either the heads of the department or the district attorney; in some cases, I may say here, upon my own personal responsibility, even with the knowledge of the district attorney—in other words, illegally.

Q. How many complaints did you institute, and how many did you sustain?—A. I kindly ask what do you mean; do you mean criminal proceedings?

Q. Yes, sir.—A. I only succeeded in one, where the individual got two years in Albany, and he came away on Friday last.

Q. Were you ever indicted yourself?—A. I am afraid to say I have been, sir.

Q. Please state to the committee what you were indicted for.—A. I was indicted for finding out too much rascalities practiced at the time on the United States Government.

Q. You finally fell out with Mr. District Attorney Pierrepont, who ordered you out of his office?—A. You are misinformed, sir. That is also a malicious allegation, from some source or other, which I would like to find out. He is beneath my dignity even to speak to. I say that with all respect to you.

Q. You had no trouble with Mr. Pierrepont, then?—A. I had no trouble with Mr. Pierrepont; the only trouble I had was with one of his assistants.

Q. Tell us about that trouble?—A. I was very frank with him, sir. He made a false statement, to the injury of the Government, when I certainly stood by, more like a child than a man. I wrote him a letter, and called him a knave, a fool, and a liar. I was actuated only by good motives. I can show you the letter, sir; I have got it here. It was a case of smuggling cigars, and in order to obviate any prejudice in the matter from what source that influence might be brought to bear against me, I ask to have the letter read. I am not afraid to face anybody, or any accusation or any allegation made against me. I had caused the seizure of a lot of imported cigars, and I knew that this man was a professional smuggler. I appeared before Commissioner Osborne. There is a gentleman attached to the office of the surveyor, Mr. Cornell—Mr. Lewis Kirk—at present here. Upon my information, Commissioner Osborne sent me there, and I seized the goods. The assistant district attorney was General Joseph C. Jackson. I appeared before Osborne, and made an affidavit on information and belief. He had the man arrested and put under \$3,000 or \$5,000 bail; I cannot remember which now. When the trial came on, I took the trouble of subpoenaing the custom-house officers who took part in that seizure to the office of the United States commissioner, to have the matter investigated. Jackson rushed up there more like a maniac than a district attorney, and said: "Mr. Commissioner, this case cannot go any further; there is no witness here, and even the complainant does not seem inclined to press the case;" thus impugning something upon me in other words. Mr. Osborne was surprised at hearing such an allegation against me, for he knew I was the last one to let off any one where I had the evidence against any one, as I always had. Therefore we had a falling out, as I admit.

Q. Were you tried, and what was the result?—A. I was indicted upon the accusation, at the time, of four very notorious men in this city. I got their history from here. They are perjurers, forgers, and murderers.

Q. Have you got a copy of the indictment against you?—A. I have not. I have got a copy of the *nolle prosequi*.

Q. What was the indictment for?—A. The demanding of one of the greatest villains in New York and a forger from abroad—for demanding of him \$200. He can swear at random as he did the other day in the case of the trial of his colleague, James Irving.

Q. The indictment was for personating a revenue officer?—A. Yes, sir; and demanding \$200.

By Mr. BAYARD:

Q. What became of the indictment?—A. There is the *nolle prosequi*. They never dared to bring it up, and that is one of those malicious charges which Bailey took so great pains to institute. It was instituted while I was trying to prevent his confirmation, knowing him to be a defaulter and more than a suspected man.

Q. You say that Mr. List was appointed weigher in the custom-house in October, 1870. Does he still hold that position?—A. I don't know; I think he does.

Q. Have you anything to urge against his conduct as a weigher?—A. Not in the least. I believe Mr. List will agree with me that we never had any unpleasantness.

Q. You speak of Mr. Bremmer being appointed store-keeper. Have you anything to urge against the conduct of Mr. Bremmer since he was appointed an officer of the custom-house?—A. Not in the least.

Q. How is it with Mr. Blagney, who was appointed weigher in the custom-house? Have you anything to urge against him?—A. Not very particularly; the only thing was that he appeared to take a great interest in Mr. Bailey.

By Mr. STEWART:

Q. Did you lay these facts before the Senate at the time Mr. Bailey's confirmation was pending?—A. I have left these facts.

Q. With regard to Mr. Bailey?—A. I was very instrumental in handing them to Mr. Commissioner Delano from the 6th of March until the 10th—all these papers as you see here—no more and no less; and I gave him an explanation. I was very explanatory with the gentleman after being introduced to him, but he had a deputy commissioner who said I was ruining the good character of Mr. Bailey, or, in other words, that he should not believe my statement.

Q. Didn't you know at that time Bailey had a great many friends, and that there was a big contest over it?—A. O, yes; I have found out that. The very minute I arrived here I was arrested on a charge made by a perjurer, Francis G. Taplin.

Q. Whose influence got Mr. Bailey confirmed?—A. I could not get to Washington, and could not find out.

Q. Was not there a great many anxious to get him confirmed?—A. There is the district attorney in the western district of New York, and he knew of his defalcations.

Q. Who is that?—A. Mr. Benjamin F. Tracy. The only thing I read about was that he was very anxious to get him confirmed, and was in favor of his confirmation, for reasons very well known to Mr. Tracy himself.

By Mr. CASSERLY:

Q. There were criminal proceedings instituted against a great many whose only fault was that they understood these men best in the world. Now, I believe the case of Mr. Hess was one of these, and that he was served in the same way.

WITNESS. I escaped with my liberty, though some of my brother officers were not so fortunate—Davis and McHenry. I have a letter which, in justice to myself, I would like to have put in evidence. It is from the Senator from Indiana, about my removal and the man who caused it. I owe that to myself and to the community and to my family, because I defy any man to prove any wrong against me. I know I have enemies; but I prefer them under the circumstances to their friendship. While I am looking for the letter, I would ask your attention to a lot of revenue cigar bonds. I hold a letter in the handwriting of Mr. Isaac E. Messmore, who was then deputy commissioner; and he had the power to remove me, and he did remove me on account of some unpleasantness; but he gave me a letter of introduction to some parties who were afraid of certain disclosures. He offered me a letter of introduction to the Senator from Nevada, Ex-Governor Nye. I knew him since he was a police commissioner here. But I got a very recommendatory letter from him, which I have saved. In justice to myself I mention it, and I take pleasure in handing it to you, Mr. Chairman, that you may read it.

The CHAIRMAN. It is not necessary.

WITNESS. It was said at the time, at the custom-house, that I was a troublesome customer.

Q. On resigning your position did you have any conversation with Mr. Murphy in reference to an appointment?—A. I saw Mr. Murphy but once in the office; that was when Mr. Dutcher, Mr. Riplet, Mr. Swadler, Mr. Edwin Allen, and Henry D. La Pugh were there to ascertain the charges against me, and at the present I am somewhat under a cloud. I may say of them I cared very little for it. I know it had no foundation.

Q. You are under a cloud at the custom-house, do you mean?—A. Yes, with regard to that accusation.

Q. You made application for an appointment?—A. I did. I was recommended by the chairman of the republican general committee.

Q. Did you receive the appointment?—A. I did. I signed the papers and was ready to take the oath.

Q. Did you receive the appointment?—A. I had the assurance of the Secretary of the Treasury that, if recommended, he would confirm my appointment. On Thursday evening my appointment was made by Mr. Murphy, and on Saturday morning my commission was already in the hands of the custom-house officials. On Monday morning I came down, when the clerk showed it to me; and he told me to step aside

for a moment. I stepped aside, and Mr. Murphy came in subsequently. I stepped aside and saw him and Mr. Terwilliger in very close conversation. Mr. Murphy told me to come back in a day or two, which I did. They made inquiries, and the result was a charge was made against me, but from whom it emanated, I esteem you, gentlemen, too much to mention any of these names or admit I knew them. It was an attempt to blacken my reputation. They were men I would not associate with.

Q. Did you perform any duty under that department?—A. None; I was not sworn in.

By Senator CASSERLY:

Q. I think it well, as the indictment has been referred to, I assume, without any knowledge on the part of Mr. Pratt that it was a *nolle prosequi*, it is proper and due to Mr. Hess that we should state that this charge, which was one for personating an officer, is extremely easy of proof. I think the order of *nolle prosequi* is a complete vindication of Mr. Hess's conduct. The order recites that the district attorney made a motion for leave to enter a *nolle prosequi*, on the ground that the testimony, in his opinion, was insufficient to sustain the charges against the defendant; and so it was. A *nolle prosequi* was entered upon the merits: "It is ordered that the said defendant, Bernard Hess, be dismissed and discharged of the said indictment, and that the recognizances entered into by the said defendant and his sureties be canceled and discharged of record. (Signed.) Samuel Blatchford." This is certified under the seal of the court; and I will ask, in justice to Mr. Hess, that this be made part of the evidence in the case.

Mr. PRATT. I think it is eminently proper.

[The subjoined paper was then put in evidence:]

"UNITED STATES OF AMERICA, *Southern District of New York*, ss :

THE UNITED STATES	}	Cr. Regt. Vol. 1, No. 875.
<i>vs.</i>		
BERNARD HESS.		

"I, George F. Betts, clerk of the district court of the United States of America for the southern district of New York, do hereby certify that the writings annexed to this certificate are true copies of their respective originals, on file, and remaining of record in my office, viz: An order of *nolle prosequi* of defendant, and cancellation and discharge of recognizances of defendant and his sureties.

"In testimony whereof I have caused the seal of the said court to be hereunto affixed, at the city of New York, in the southern district of New York, this twenty-eighth day of May, in the year of our Lord one thousand eight hundred and seventy, and of the Independence of the said United States the ninety-fourth.

"GEO. F. BETTS, *Clerk*.

"EDWARD PIERPOINT,

"Attorney of the United States for the Southern District of New York."

"At a stated term of the district court of the United States of America for the southern district of New York, held at the United States court-rooms in the city of New York on Saturday the 28th day of May, in the year of our Lord one thousand eight hundred and seventy.

"Present: The Honorable Samuel Blatchford, district judge.

THE UNITED STATES	}	Indictment for falsely personating revenue officer.
<i>vs.</i>		
BERNARD HESS.		

"On reading the indictment filed in this court against Bernard Hess, the defendant above named, the second day of June, in the year one thousand eight hundred and sixty-eight, and on motion of Edward Pierpoint, the attorney of the United States for this district, for leave to enter an order of *nolle prosequi* against the said defendant on the ground that the testimony is, in his judgment, insufficient to sustain the charges against the defendant in said indictment contained, it is ordered that the said defendant, Bernard Hess, be dismissed and discharged of the said indictment, and that the recognizances entered into by the said defendant and his sureties be canceled and discharged of record.

"SAM'L BLATCHFORD."

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

HENRY G. LISK sworn.

Examined by the CHAIRMAN :

Question. What is your occupation?—Answer. I am a United States weigher.

Q. Connected with the custom-house?—A. Yes, sir.

Q. How long did you occupy that position?—A. I was appointed on the 5th of October, 1870.

Q. You have heard the statement of the previous witness in regard to yourself; please make such answers as you deem proper.—A. I was appointed assistant assessor by Mr. Gilbert in 1866, in March, I think, and remained until Mr. Cleveland came in 1868, when they put out a number of assessors. I was one of them. With regard to this charge that Mr. Hess has been speaking about, I want to say that there was a distillery put in the district after I was made assistant assessor, and it had been but a week in operation when they appointed an assistant assessor of these distilleries before any marks or plates were made. I hardly think they got in operation. I don't remember making out one return for them at all. I might have made one return out, but I am not positive as to that. There is an assistant assessor of distilleries appointed for every distillery in the thirty-second district, and that would relieve the assistant assessors in each district of their duties as assessors in these distilleries.

By Mr. STEWART:

Q. You know this particular still spoken of?—A. Yes, sir.

Q. Did you have charge of that at all?—A. Only a week when they were commencing.

Q. How long was it before a distillery was seized?—A. I don't recollect how long it was; it was some time before that.

Q. Who had charge of it; who was assessor for the distillery?—A. I don't exactly know; I think it was Mr. Deane. I am not positive as to that, but I am under the impression it was a gentleman named Deane, who was assistant assessor. I suppose you recollect the thirty-second district was divided off. There were assessors for the bankers, insurances, and all that.

Q. You don't know how long it was after you ceased to have charge of it until the time it was seized?—A. No, sir; I don't know.

Q. You say it was run about a week?—A. It was a new still; it belonged to Mr. Astor, and was burned down; they were getting things in and fixing it up, but I don't think they made any whisky at all.

Q. Then you turned it over to this deputy, this assistant that was appointed for this still?—A. There was no turning over; there were no plates. I had nothing to do with it as far as taking charge of it.

Q. Then you never had charge of it?—A. No, sir; I never had the plates or markers, or anything of that kind in my possession. I never marked a barrel of whisky in all my life of any kind, or in any place.

By Mr. PRATT:

Q. What do you know of these frauds upon the revenue that Mr. Hess referred to in his evidence in regard to this distillery?—A. I know very well that the distillery was seized. I think it was seized twice, if I am not mistaken; but I had no charge of it or any business with it, only going through the division. My division was part of the first election district of the Fourth ward.

By Mr. CASSERLY:

Q. Was the distillery in your district?—A. In my division? yes.

Q. Who had charge of it?—A. The assistant assessor for distilleries of the thirty-second district of the Fourth ward, and there was never a great deal of distillery business going on there.

Q. You were assistant assessor of what?—A. Of general matters; manufactories we had then; cigars we had nothing to do with, because there was an assessor attended to that specially,

Q. Were you assistant assessor of distilleries?—A. No, sir.

Q. That was not in your duties?—A. No, sir.

Q. Have you heard of this charge against you?—A. I have read it in the paper; not before that. There was never a word mentioned of it. I was under Mr. Gilbert, Mr. Webster, and Mr. Cleveland.

Q. When did you leave the internal revenue?—A. Shortly after Mr. Cleveland was appointed; two or three months, I think, in 1868.

Q. Did you resign?—A. No, sir; the divisions were made larger, and mine was taken in.

Q. You were consolidated out?—A. Yes, sir.

Q. When were you appointed in the custom-house?—A. In October, 1870.

Q. Were you one of those appointed after Henry C. Lake was removed?—A. No, sir; he was removed after I was appointed; the man whose place I took was promoted to another position.

Q. You never heard this charge against you until you saw it in the papers?—A. Not a word. No one ever said a word about the matter to me. No complaint has been made against my character, and I don't believe Mr. Hess ever heard anything about it either. I have no personal feeling against him; it was made, I think, because I am in

the custom-house, but as for any person having anything to say about it, I never heard it. I guess your brother knows me pretty well.

Mr. CASSERLY. At present I don't see anything to assail your good character.

WITNESS. The papers of that district will show very clearly, I guess, about what I have to do with it.

FIFTH AVENUE HOTEL, NEW YORK, *January 23, 1872.*

THOMAS W. GARRETT sworn.

Question. Where do you reside?—Answer. Jersey City.

Q. What is your occupation?—A. A carman.

Q. How long have you been engaged in that business?—A. Six or seven years.

Q. Do you employ a good many carts?—A. I have got in the neighborhood of nine trucks.

Q. Are you engaged now, and have you been for the last eighteen months, in hauling goods sometimes to the general-order stores?—A. Yes, sir.

Q. What is the rate per package on taking goods from the Cunard dock?—A. Forty-two cents a package, sir.

Q. About how many packages to the load on an average?—A. About two or three.

Q. That is what kind of a load?—A. That is the average.

Q. Of a truck load?—A. Yes, sir.

Q. You are paid by the package?—A. By the load; we are paid by the load, but the average is about that.

Q. Do you mean the truck or the cart load?—A. A cart load.

Q. The average of a legal load is about how many packages?—A. Between two and three.

Q. And being paid by the package it amounts to \$1 a load?—A. Yes, sir; that is what it is.

Q. Is that what you are paid for the last eighteen months?—A. Yes, sir.

Q. When was your last package delivered?—A. To-day.

Q. Were you paid then for it?—A. No, sir.

Q. When was your last payment?—A. Last Saturday.

Q. Were you paid at these rates then?—A. Yes, sir; at \$1 a load.

Q. Has anybody more distant loads than that?—A. Hoboken is further than the dock I carry from.

Q. That is about the furthest distance to the general-order stores from any of the steamship lines?—A. I think so.

Q. What do you get for hauling goods to the public stores from the Cunard docks?—A. Thirty-five cents a package.

Q. Seven cents less than you can get from the other—about 20 per cent. more to the general-order stores than to the public stores?—A. I never figured it up.

Q. It is about a few cents more to one than to the other; that is about 20 per cent; such is the fact that while you get 35 cents to the package at the public stores in Greenwich street, you get 42 cents when you go to the general-order stores?—A. About 42 cents.

Q. And being paid by the cart-load it amounts to \$1 from the Cunard dock, which is the longest haul to this general warehouse?—A. Yes, sir.

Q. As a carman; I would like to ask you what you know of the abstraction of articles of merchandise while under the control of the Government; whether you have known many such cases, and where you have generally found the loss to have occurred?—A. I don't know anything about where the goods have been stolen. There have been a great many claims against the steamship lines for goods that have been lost, and eighty per cent. of all those claimed are for goods that went to the appraiser's store.

Q. Eight out of every ten?—A. Yes, sir. These goods that went to the appraiser's store.

Q. What is your deduction from that; that the losses occurred there chiefly?—A. Yes, sir; that is what I think. I don't know for a certainty.

Q. Do you get clear receipts from the public-store people?—A. No, sir. Sometimes we do, and sometimes we don't.

Q. Do they ever give you receipts for bad order when the goods are not in bad order?—A. I think so.

Q. What is the reason for that?—A. I can't tell.

Q. Have you no means of defending yourself against it?—A. No, sir; we have not found any yet.

Q. Have you had a clear receipt refused to you where the goods were probably in good order?—A. No, sir; I have not. The way business is managed is this: Each truck-driver takes his tickets to the appraiser's store, and he hands them in before he unloads the truck. The clerk then takes these tickets. I have requested the receiving-

clerk to send back a memorandum of these goods he would mark in "bad order" by the same driver. He said he would do it; but that would not help us any, because after the goods are sent to the appraiser's room, and there they saw such and such a package in bad order, he would mark the package so.

Q. What I mean is, are the receipts given to you for the goods you carry, and marked as if in bad order, when, in point of truth, they are not, and in that way you are sought to be made responsible for the bad condition of the package, when you delivered it in good condition?—A. In a good many instances, where they mark them in bad order, they are not in bad order. The nails may be drawn off in starting from the truck, or a portion of the hoop may be off, although they left the dock in good order.

Q. Your experience is that eight-tenths of losses, pilferings, and robberies from these causes occur in the public store?—A. Yes, sir.

By Mr. STEWART:

Q. You say you get larger pay to the general-order than to the public store?—A. Yes, sir; a little, I think.

Q. How does that happen?—A. I don't know how it happens.

Q. Is there any reason you should get more?—A. It is a greater distance; it is double the distance.

Q. Is that the reason?—A. I don't know whether that is; but I give the information.

Q. Would you be willing to haul to one place as to another?—A. We ought to get more to the general-order.

Q. How much is the average load to the general-order?—A. About five for two loads; about two and a half packages each.

Q. Do you think you average as much as that?—A. I think so.

Q. Have you got a dollar?—A. Yes, sir.

Q. When you get to Hoboken do you get the same?—A. I don't know anything about that.

Q. That is further than the Cunard?—A. Yes, sir; the docks are further from the ferry than the Cunard is from the Courtlandt or Desbrosses ferry.

Q. Then your greatest difficulty for reclamation about damages is at the appraiser's store?—A. I never had a case anywhere else.

Q. Never at the general-order store or at the warehouse?—A. No, sir; I never knew one.

Q. You say that you took a package to the appraiser's store that is in good order, and they would not mark it in good order and give you a receipt?—A. They sometimes do and sometimes they don't. These receipts that our drivers pass in go through three or four hands before we get them.

Q. Don't your drivers see how they are marked?—A. Yes, sir; I have seen it, and remonstrated with them about marking in it in bad order. They said they had orders to do so. If the hoop is turned off by accident they mark that in bad order.

Q. Did they mark them in bad order when they were manifestly good?—A. I have not seen that done. When the goods go up stairs to be appraised, they send word to the clerk, if he has not marked a certain case in bad order, to do so.

Q. He marks it on the goods; does he go up stairs and mark them?—A. I don't know, sir; but he marks the B. O. on the ticket.

By Senator PRATT:

Q. You haul goods to the general-order store, to the bonded warehouse, and to the public store?—A. Yes, sir.

Q. What district are you carman in?—A. District number two.

Q. You haul from across the river?—A. Yes, sir; from the Cunard wharves.

Q. And when you speak of getting so much a package, 42 cents, and 35 cents, does it include ferriage?—A. No, sir; we have to pay ferriage out of that.

Q. You pay the ferriage?—A. Yes, sir.

Q. What is that ferriage, coming and going?—A. Sixty cents; thirty cents each way.

Q. And how many loads, reckoning a load at 1,200 pounds, would one of your trucks carry?—A. About five loads, sir.

Q. Now, is not there a great variation in the size and weight of the packages that you carry?—A. O, yes, sir; some weigh ten or twelve hundred pounds, and some two hundred.

Q. Then, you say, in a package of that description you only get 42 cents?—A. That is the average. In footing up a cargo—the receipts and the number of packages—the average is 42 cents a package in the general-order stores; the public stores, 35 cents for all except samples.

Q. There is a custom-house regulation establishing the rates of cartage?—A. Yes, sir.

Q. Established in November, 1870?—A. Yes, sir.

Q. Do you observe those rates?—A. Yes, sir; I believe we are working under them now.

Q. In speaking of the reclamations in some lines of steamers for abstractions from packages, I understand you to say that eight out of ten are against the appraiser's store?—A. Yes, sir, of goods that went there to be appraised.

Q. Have you known of any one loss occurring at the public stores since they have been under the charge of Leet & Co.?—A. General-order store?

Q. Yes, sir.—A. No, sir.

Q. Did you not haul to this store?—A. Yes, sir; but I did not know anything about the losses.

By Senator BAYARD:

Q. Did you ever haul away from them?—A. I believe I have carried some to-day for the first time. I carried them to the warehouse in Jersey City.

Adjourned.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

The committee met pursuant to adjournment, when proceedings were resumed.

The following letters, which had been received on the 20th, and referred to the collector for report, was ordered incorporated with the evidence of the 20th, together with the collector's report:

"BOSTON, January 17, 1872.

"SIR: Your letter of yesterday is before me. I landed on the Cunard pier, Jersey City. To the officer who examined my trunks I pointed out the two pieces for two dresses, which I had classed as 'wearing apparel.' He said he 'guessed he would take them to the office.' He took them from the trunk, and we proceeded together to a small office at the head of the pier, where the bundle was opened, and three or four men made their rude remarks upon the contents. I was at length told I must pay \$60.05 duty. (The package was in the condition I had received it from the store where the purchase was made, and on opening it the bill which I had paid appeared, showing the number of yards—18 and 27, I think—and the prices paid.) I replied I had not so much gold with me, but that I would go over to New York at once and get it. This was objected to. One of the officers said they did not intend to keep the office open much longer. It was then about 1½, or, at latest, 2 o'clock p. m. I said I was very anxious to go to Boston by the 5 o'clock boat.

"It was finally decided that I should receive the silk in New York, and I was told to be at the 'barge-office'—I think it is a building at the foot of Broadway, between the South Ferry and the Staten Island Ferry slips—with the money, at 3 o'clock, and I should have my silk. It was there I received it, and there I demanded a receipt, or something to show I had paid the money.

"I had no means of ascertaining the name of either of the officers. I made no 'entry' that I am aware of, and I received no 'permit.' No 'oath' was made by me.

"The point I intend to draw your attention to, and concerning which I thought you might, perhaps, think it worth while to inquire, is the very evident loose way, as illustrated in this case, in which custom-house officers are allowed to collect money.

"Very respectfully, your obedient servant,

"EDWARD KEMBLE.

"Hon. T. F. BAYARD,

"Civil Service Reform Committee, New York."

"BOSTON, January 17, 1872.

"SIR: On arriving in New York last August, by the Parthia, I told the custom-house officer what my trunk contained, and it was decided to tax me \$60.05, gold, on two silk dresses. I demanded a receipt for the money, which was refused. Supposing I had a right to a receipt for my money, I referred the matter to the Secretary of the Treasury, and, to my surprise, received the inclosed response, which explains itself, and shows what license New York custom-house officers are allowed.

"Very truly, yours,

"EDWARD KEMBLE.

"Hon. Mr. BAYARD,

"Chairman Investigating Committee, New York."

"TREASURY DEPARTMENT,

"Washington, D. C., October 17, 1871.

"SIR: In reply to your letter of the 2d instant, I would state that the goods brought by you per Parthia into New York were dutiable; that the duties collected thereon, amounting to \$60.05, were duly accounted for to the Treasury, and that it not the prac-

tice, and neither do the regulations of the Department require it, for customs officers to give receipts to passengers for duties paid by them on goods brought with their baggage.

"I am, very respectfully,

"GEO. S. BOUTWELL,
"Secretary."

"EDWARD KEMBLE, Esq.,
"Boston, Massachusetts."

The chairman announced the reception of the report of the collector, as follows :

"CUSTOM-HOUSE, NEW YORK,
"Collector's Office, January 23, 1872.

"SIR : I have the honor to acknowledge the receipt of your communication of date 20th instant, (this moment at hand,) inclosing copies of letters from Edward Kemble, esq., of Boston, with inclosures, in regard to the manner of passing his baggage, in August last, and requesting me to communicate to the committee over which you preside such information as I may have upon this subject.

"I have the honor to report to the committee that the records of this office show that the baggage of Mr. Kemble on the occasion in question was examined and disposed of in conformity to the regulations of the honorable Secretary of the Treasury, prescribed and put in practice as long ago as the year 1847, which regulations will be found upon pages 60 and 61, chapter 6, article 131, and 131 of Revised Regulations, part 3, of March 30, 1869.

"I inclose to you herewith, taken from the files of the custom-house, a press copy of the collector's letter to the Secretary of the Treasury, in answer to a complaint of Mr. Kemble, made to them in October last, by which it will be seen that the exaction of duties, by the custom-officers, upon Mr. Kemble's importation of dutiable merchandise in passenger-trunks, under pretense of it being 'wearing-apparel' and personal effects entitled to admission free duty, has been a mandate of the law since the foundation of the Government.

"The written declaration of Mr. Kemble, that his baggage consisted of wearing apparel and personal effects not dutiable is also herewith indorsed. It has been shown in the correspondence that the presence of silk and worsted in the piece was rather a remarkable feature of the contents of the trunk.

"The duties upon Mr. Kemble's goods were assessed and collected according to law, were deposited forthwith in the hands of the cashier of the custom-house, and on the same day placed in the assistant treasurer's office in this district, to the credit of the Treasury of the United States.

"I remain, &c., very respectfully, your obedient servant,

"C. A. ARTHUR,
"Collector."

"Hon. W. A. BUCKINGHAM,
"Chairman, &c."

"P. S.—I also inclose report of appraiser and entry of passenger's baggage, which please return, together with the declaration of Mr. Kemble, to the file of this office.

"C. A. A."

"CUSTOM-HOUSE, NEW YORK,
"October 16, 1871.

"SIR : I am in receipt of your letter of 13th instant, transmitting a letter of complaint from Mr. Edward Kemble, of Boston, Massachusetts, to the effect that his supposition that the United States will not demand duty upon a small gift to his wife, consisting of silk, in the piece, of the value of \$83, (subject to duty at 60 per cent. *ad valorem*,) and 3 pounds of worsted dress-goods, valued at \$25, (subject to duty at 50 cents per pound, and 35 per cent. *ad valorem*,) was deemed by the officers of customs at this port to be contrary to the law in such case made and provided, and that the officer of the customs, upon collecting the duty upon the merchandise, refused to give him a receipt thereon.

"I have the honor to report that the proceedings in this case were had under article 131 of Revised Regulations, part 3, page 61, of foreign and domestic commerce, of 1869, and that the officers of the customs, in the execution of their orders, confine their action to the requirements thereof, and that no provision is therein made for the giving of receipts for duties. I have further to report that the records of this office establish the facts set forth in the inclosed memorandum, to wit, that \$60.05, received on the 4th of August, 1871, from Mr. Edward Kemble, passenger per steamer Parthia, for imported merchandise, was handed by the collecting-clerk to the cashier of this office on that day.

"The attachés of the customs who were engaged in this transaction do not express

any regret that the laws of the United States and the regulations of the Department are not more to the satisfaction of Mr. Kemble.

"I am, &c.,

"C. P. CHURCH,
"Assistant Collector.

"Hon. GEO. S. BOUTWELL,
"Secretary of the Treasury."

Mr. Kemble's declaration.

PASSENGERS' BAGGAGE DECLARATION.

Steamship Parthia, from Liverpool, 1871.

Trunks.....	2	Baggage not dutiable—"wearing-apparel" and personal effects.
Bags	1	
Other packages.....	1 box	
Total.....	4	

This is a printed form; words were written by the inspector at Mr. Kemble's direction.

APPRAISEMENT.

Articles.	Value.	Per ct.	Duty.
Silk in the piece	\$83	.....	\$49 80
Three pounds worsted.....	25	.....	1 50
			8 75
G. C. BURDET, <i>Inspector</i> ; A. T., <i>Collecting Clerk.</i>			60 05

"I hereby certify that the foregoing is a true statement of all my baggage, and of the effects upon my person, and including all the dutiable merchandise in or upon the same.

"EDWARD KEMBLE, *Croner.*"

Appraiser's report of passenger's baggage imported in the steamer Parthia August 3, 1871.

Name.	Packages.	Value.	Duty.	Total.
E. Kemble	Silk in the piece	\$83—60	\$49 80	} \$60 05
	Three pounds worsted goods.....	25—50, 35	10 25	

IMPORT DUTY.

Entry of passenger's baggage imported in the steamer Parthia August 3, 1871.

Name.	Packages.	60 per cent.	50 cts. per lb.	35 per cent.	Total.
Edward Kemble ...	Four packages containing silk in piece.	\$83 00	.....	.....	} \$60 05
	Worsted dry-goods.....	.....	3	\$25 00	

BENJAMIN H. HULTON, a witness, being duly sworn, testifies :

By the CHAIRMAN :

Question. State your residence and occupation.—Answer. My residence is No. 7 East Fourteenth street.

Q. What is your occupation?—A. An importer of foreign goods.

Q. How long have you been engaged in that business?—A. Since 1824, when I was a boy ; but I have been in business since 1834.

Q. Will you state to the committee any difficulties in the way of importations, or any embarrassment which you find in transacting your business which you think may be removed, or any perplexities in getting through the custom-house?—A. We have not incurred many recently.

Q. Give the name of your firm.—A. Benkhardt & Hulton.

Q. Do you know of any fraudulent transactions connected with the custom-house?—A. No, sir.

Q. Do you know of any official connected with the custom-house that has been guilty of irregularities, or of receiving over-pay, or of receiving gratuities for favors done?—A. No, sir.

Q. You have not been embarrassed in that way?—A. No, sir.

Q. Do you know of any public officer or agent who has been employed in the public service without the authority of law?—A. No, sir.

Q. Is there anything connected with the custom-house which you could properly call an abuse coming within your knowledge or experience?—A. There is one subject in particular which I regard as a very serious abuse.

Q. What is that?—A. That is the general-order system and the charges made under it.

Q. What are they for?—A. For storage, cartage, and labor.

Q. Are they more than the charges of other parties for similar services?—A. They are considerably higher.

Q. How much, should you think?—A. From twice to three times more.

Q. Have you made a complaint to the keepers of the general-order stores?—A. Yes, sir, upon various occasions.

Q. Have your grievances been redressed in any particular?—A. No, sir.

Q. You are able to get no deduction from what you call extravagant rates?—A. No, sir.

Q. How do the charges compare with those of former years?—A. I think they are about six times as much, and have been ten times.

Q. That is, the charges for labor, storage, &c.?—A. They are 50 cents for storage, 50 cents for labor, and from 50 to 75 cents to \$1 per package for cartage.

Q. That is the general rule, so far as you know, for general-order charges?—A. In my experience.

By Mr. PRATT :

Q. What kind of goods do you import?—A. French, English, and Continental goods.

Q. Have any of your goods gone into general orders since Leet & Stocking have been doing that business?—A. How many I cannot say. We make an effort to get them out before they are subject to that.

Q. You have paid these charges to that firm?—A. Yes, sir.

Q. Have you any bills showing the amount you have paid?—A. The total amount?

Q. Showing the amount per package?—A. Yes, sir, I have.

Q. Will you please produce them?—A. Here are bills of various dates. [The witness here produces a number of bills.]

Q. What were the general-order charges, say ten years ago, for storage per package?—A. About one-third, if my memory serves me, of what they are now.

Q. What are they now on an average?—A. According to these bills and some others which I have, about \$1.50 per case.

Q. You mean for storage alone?—A. For storage, cartage, and labor.

Q. That divided between the three items would be 50 cents for each?—A. Yes, sir ; that is for one month. If the goods remain more than one month in general orders they make an extra charge, and often a capricious charge.

Q. Do they charge for cartage any more than what they have actually paid the carman for bringing the goods to their store?—A. I have no doubt of it in my own mind.

Q. What evidence have you?—A. The evidence of what we pay ourselves to others.

Q. Have you in any particular instance investigated their charges against you to ascertain that they charge more for cartage than what they actually paid? I ask that question because both these gentlemen have been before the committee and have stated explicitly that they make no profit whatever on the item of cartage; that they charge nothing beyond what they have actually advanced to the carman. In the face of that declaration have you any specific knowledge of its untruth?—A. It would be a matter of impossibility to ascertain, from the nature of the cartage arrangements. You may put upon a cart one case or twenty cases, and they make a charge for each case, whereas the whole load is regulated by the collector of the port.

Q. Do you know that they have in their charges transcended the regulation of the collector of the port and that they have charged beyond the schedule?—A. The simple fact is, that they charge 50 cents for the cartage of a package, when a load is only charged 55 cents for 1,200 pounds; that will satisfy me that they do charge more than they are authorized to receive by the regulations. We have one instance in these bills where we are not charged 50 cents per package for cartage, but we are charged a dollar.

Q. Do not the packages vary greatly in size and in weight?—A. They do sometimes, but not generally. Generally, they are of nearly uniform size, according to the merchandise.

Q. Would not a package sometimes constitute a load of itself?—A. Hardly.

Q. Suppose, for example, a carriage were imported?—A. That, in all probability, would be a load; but that is not what I am speaking of. I am speaking of ordinary merchandise in the course of my business.

Q. Ten years ago, what did you pay for storage at general-order stores?—A. If my memory serves me, about 50 cents.

Q. For storage, alone?—A. For storage, cartage, and labor.

Q. About 50 cents a package?—A. About that.

Q. Whereas you now pay, on an average, \$1.50?—A. One dollar and fifty cents. The price has been a little lower recently—within the last four months. The opposition to the charges was so very great that I suppose that influenced them to make the reduction in the charges which they have recently made.

Q. When did this change occur?—A. I think it was during the summer.

Q. How great was the modification of the charges?—A. About 50 cents per package, in some instances. I understand that there is a distinction made now between goods that come from this side of the river and those which are landed on the other side; that they make a charge of 50 cents a case more for those which are landed on the other side of the river.

Q. There is necessarily more cartage?—A. Somewhat.

Q. Including ferriage across the river?—A. General-order goods are brought over in quantities on large trucks, holding some ten, twelve, fifteen, or twenty packages, according to the size.

Q. Have you preserved your bills, so that you can show to the committee what you paid for storage, cartage, and labor to the general-order stores ten years ago?—A. My impression is that I could show them.

Q. You feel satisfied, as I understand you, that there has been an increase of two-thirds in the rate charged?—A. I think the increase is three times as much now as it was then.

Q. You think eight or ten years ago you paid cartage, labor, and storage, altogether, not more than 50 cents a package?—A. That is my impression.

Q. When did the increase commence in the charges—about what year and under whose administration?—A. I do not remember whether I could tell you the administration, but in 1861 and 1862—do you mean the administration of what collector?

Q. I mean under what collector of the port.—A. I think they began to increase in 1861 and 1862.

Q. Was the increase gradual or pretty abrupt?—A. At that period, or later in 1863, and prior to Mr. Draper—I think it was Mr. Barney who was the collector—the amounts get to be very exorbitant.

Q. When did they attain their maximum, prior to Mr. Draper?—A. They were very exorbitant during one season. I could by reference ascertain which it was; but they got up to \$2, \$2.50, and \$3 a package, and then for lighterage \$1 for every case—for lighterage alone.

Q. Has there been a gradual reduction since that time?—A. After remonstrances by various parties there has been some deduction made.

Q. Was there not some reason for the increased price at that time—because of the increased price of labor and rent?—A. It was charged at that time that it was owing to the increased price of rent and labor; but labor at that time was not as high as it is to-day, and rents were not so high as they are.

Q. You are speaking now of 1862, 1863, and 1864?—A. 1863, 1864, and 1865.

Q. What charges for storage and labor, in your opinion, would afford those who have this general-order business a reasonable compensation for their time, trouble, and capital at this time?—A. Properly conducted, I do not think it ought to be over 60 cents a package.

Q. And that would include all their advances for cartage, besides labor and storage?—A. Yes, sir, it is all by combination. The cartages are altogether too high.

Q. Have the keepers of these general-order stores any control over the cartage charge?—A. Not over the cartage charge. The collector controls that.

Q. They would, obviously, have the right to collect back from the importer what they paid the carman?—A. If they charged nothing but that they would.

Q. You have evidence that Leet & Stocking have charged a percentage upon the amount of their advances for cartage?—A. No, sir; I do not say so.

Q. It is a mere supposition of yours?—A. It is a supposition, founded upon very good evidence in the course of my business.

Q. First give the committee the benefit of that evidence which satisfies your mind.—

A. The fact of charges which are made by ordinary carmen, so far as the charge for cartage is concerned.

Q. What do you pay in your own business now for cartage from the other side of the river?—A. I think we pay from Jersey City a dollar a load, but we get four packages, and sometimes five, and in extreme cases three, when the packages are very large.

Q. Is this regulated by a private contract with your carman?—A. It is the price he charges us, but he is the carman we have always had, and he has our business generally. I think we pay him more liberally than we would any other carman whom we knew less about.

Q. In the first bill which you handed us, which is dated March 3, 1871, I notice the charge for storage, cartage, and labor upon seven cases is \$10.50; that would be \$1.50 per package, would it not?—A. Yes, sir.

Q. It is marked 50 cents cartage, 50 cents storage, and 50 cents labor?—A. Yes, sir; we require that the charge should be put on with that detail.

Q. Did you protest against these charges?—A. There is a protest on every bill —

Q. To whom did you carry your complaint of this extortion?—A. To the collector.

Q. What answer did the collector make?—A. He said he would investigate it.

Q. Was any investigation ever made?—A. O, yes; under various collectors; under Mr. Barney and under —

Q. I am speaking of Leet & Stocking's charges?—A. There was, last year, an investigation undertaken by Mr. Murphy.

Q. What was the result of that investigation?—A. Nothing came of it, as far as I could ascertain.

Q. Did he approve of the bills, or disapprove of them?—A. I never knew.

Q. Did you not call for an answer?—A. I did.

Q. What reply did he make to you?—A. It was always under investigation and there was some question raised as to the justice of the complaint, if I remember rightly.

Q. Have you ever looked over these bills in detail, so as to state whether the average of the charges are the same as in this bill?—A. I think they are generally \$1.75 per case. These bills are generally copies of the originals; they are duplicates. The store-keepers now refuse to give duplicates.

By Mr. CASSERLY :

Q. The general-order store-keepers?—A. Yes, sir; they refuse to give duplicate bills now.

By Mr. PRATT :

Q. You protested in every instance against the payment of these charges?—A. As far as I know we did. The orders were that they should be protested on payment.

Q. Did you make a complaint in each case to the collector?—A. No, sir; we did not consider it necessary.

Q. Have you ever contested the legality of these charges by a suit?—A. The object of the protest was to do that.

Q. Have you instituted any suit?—A. I have not.

Q. Why did you not do it?—A. The expenses attending it, the fees of counsel and everything else, are so enormous that the merchant does not like to pay out the money.

Q. About what percentage below the charges of 1863 and 1864 are the bills you complain of now?—A. I do not know that there is any reduction excepting during a portion in the year. I am not very sure of it. I should have to refer back to declare it.

Q. I understand you to say that the maximum change occurred in 1863 and 1864, and that you sometimes paid as high as \$2 and \$2.50 a package?—A. Yes, sir. It was a matter of caprice at that time until it was arrested. I think Mr. Barney made an attempt to arrest it, and Mr. Draper, his successor, did likewise. I know the charge was reduced under Mr. Draper, and under Leet & Stocking it was increased. It was about \$1.20 and \$1.25, but when these present store-keepers took hold of it they began charging \$1.75. On remonstrances they would put it down to \$1.50, and then it would go up again to \$2.00. It appeared to be a mere matter of caprice more than anything else.

By Mr. CASSERLY :

Q. Was it in 1863 or 1864 that gold was the highest?—A. It was in 1864 that it was the highest.

Q. It was very high in 1863?—A. Yes, sir.

By Mr. PRATT :

Q. I notice that these bills cover the period from February 27, 1870, to September 30, 1871?—A. Yes, sir.

Q. Do these embrace all the general-order charges that you paid during that period of time, or have you selected these bills?—A. I found a great many bills. We have kept the bills generally on my desk.

Q. Have you selected these bills because they contain the highest rates?—A. I have told you that they recently put down the rate of charge to \$1.25 in several cases.

Q. I speak of these rates intervening between the 27th of February and the 30th of September; have you selected those bills as being the highest which you paid during that time?—A. No, sir; not particularly. I didn't bring all the bills which I had with me. I keep them on my desk.

Q. Are these a fair average of the bills you paid during that time?—A. During that period. Since then I think I told you that the rates had been reduced. I ascertained that yesterday. I asked where the bills were and they answered me that they refused to give duplicates now. Many of the original bills have been paid by the steamship lines. When the goods were sent into the general-order stores, before they authorized to be sent by the regulations, the steamship companies paid it. Here is a bill [selecting one from the number] for a single case which is charged \$2—it is 50 cents for labor, 50 cents for storage, and \$1 for cartage from the public store.

Q. Have you any knowledge that Leet & Co. did not pay \$1 for that cartage?—A. I have not.

Q. What was the character of that package?—A. That was a small package in that case. There were two packages put together—two small packages put together forming one, so that when the outside cover is taken off they are separate.

Q. There are actually two packages?—A. One package only; it came as one and was shipped as one; but was composed of two put together, made so for the convenience of trade. There was a small quantity of goods in each package in order to make the whole more salable.

Q. The only point connected with this bill I want to get at was whether you are able to say that Leet & Co. did not actually pay this advance of \$1 on this cartage?—A. If they did they paid a very exorbitant price, more than the law allows or justifies.

Q. Would they have any control over that matter? When a package is brought to them by a carman with certain charges for cartage, would they have any power to decide as to the reasonableness of his charge, or do they conform to the regulations?—A. I think they are indifferent about that. I think they know generally what is charged by them.

Q. Have they any control over that matter; can they dispute a carman's bill?—A. I think they should. I think that they should know what the regulation is, and not pay more than that. I have known them to charge more, and have remonstrated and have refused to pay, and have given orders that they should not pay anything for us. That was for bonded warehouses more particularly than for general orders, because if we have anything put in general orders we cannot prevent them from paying any price that may be charged them or that they may see fit to pay. I looked to see whether any of these bills were for account of the ship; but I cannot ascertain it. Sometimes they are marked on them.

Q. Were any of the goods embraced in these bills carted from the other side of the river?—A. Yes, sir; I see that some steamers were there.

By Mr. BAYARD:

Q. Where is the Anglia from?—A. From Liverpool; but I cannot say whether she was from this side or the other.

Q. The Saxonia?—A. Hoboken.

Q. The Abyssinia?—A. Jersey City.

Q. The China?—A. Jersey City.

Q. The Virginia?—A. I think the Virginia lands in New York.

Q. Do you know which line she is in?—A. No, sir; they increase their steamers so rapidly that I cannot keep the run. From the appearance of these bills, I should judge they had all been paid by the firm, owing to the invoice not coming in time, or the difficulty is in getting through the custom-house.

By Mr. PRATT:

Q. If I understand your views correctly, they are that Leet & Co. should sit in judgment upon the cartage charges which are made by carmen bringing general-order goods to their stores, and if they regard them as excessive, they should cut them down, and pay according to their own views and not according to the views of the carmen.—A. I think I have not expressed any such opinion; but my opinion is that Leet & Co. should have no power in the matter, either for charging or for paying cartage, except under authority of law.

Q. Who should pay the carmen who bring the general-order goods to their stores but Leet & Co.?—A. The charge should be regulated by the collector, or by the Chamber of Commerce, as it was formerly.

Q. My inquiry is, who should pay, if not Leet & Co., who receive the goods?—A. Leet & Co. should pay them.

Q. Do I understand your views now, then, that they should compare each charge with the regulation charges, and if they find them excessive, refuse to pay the carmen?—A. They should do so.

By Mr. BAYARD:

Q. You understand that Leet & Co. undertook a public duty for the merchants, and therefore they should see the merchants are not imposed upon by excessive rates?—A. That is the view I have always taken of the duty of the general-order store-keepers.

Q. You have been informed what Leet & Stocking testified to here in regard to their customs of business. It is also proper that I should say that the carmen engaged in hauling these goods from the most distant points to Leet & Co.'s store, on last night, failed entirely to substantiate the fact that the carman were paid the same that Leet & Co. said they were paid. Mr. Garrett, who is the carman of the Cunard line, testified that, having the most distant hauling to do from the Cunard lines to the general-order stores, he was paid 42½ cents a package, and 35 cents from that line to the public stores, or paid \$1 a load, with an average of between two and three packages to the load for hauling there, instead of the amount they had stated.

Mr. HOWE. I would like to inquire why you think it is important to inform the witness what other witnesses have testified to?

Mr. BAYARD. Because your brother Pratt informed this witness what had been testified to by Leet & Stocking.

Q. I understand you to say that in the course of your business you found that the lawful loads run about four packages to the load in ordinary cases, and three where they were unusually large?—A. Yes, sir; it depends upon the size somewhat. With the ordinary size of British packages they can take from six to eight, and of French packages they can take from three to six.

Q. That is six to eight, what you term a lawful load?—A. It is what the carmen ordinarily put in, and they put on as much as they can carry.

Q. We are informed that a system of very large trucks has come in of late by which they put a great many loads upon one of these trucks?—A. Yes, sir; I am only referring to an ordinary sized dray.

Q. And not these enormous trucks?—A. No, sir. They can put twenty or thirty packages on those, according to size.

Q. Have you had occasion to store a great many goods in a bonded warehouse?—A. Yes, sir.

Q. Tell us what, during the past year, has been your customary rates for cartage and labor in the bonded warehouse?—A. Twenty-five cents a month, or twenty cents a month, is the storage, and twenty or twenty-five cents for labor.

By Mr. HOWE:

Q. That is the price for cartage and labor in the bonded warehouse for a package?—A. Yes, sir; the labor covers everything in taking in and sending out the goods. That is charged only once.

Q. That is 20 or 25 cents?—A. Twenty and twenty in some cases, twenty-five and twenty-five in others, according to the store-keeper.

Q. Which would average 22½ cents a package?—A. Twenty-five cents may be regarded as the price.

By Mr. BAYARD:

Q. What have you paid for cartage on an average per package?—A. That cartage is done by our own carman now. It is a privilege which has been granted on giving a bond to certain importers to transport their own goods to a bonded warehouse. I cannot precisely say what we pay our carman in these cases, but I could tell by asking him. I am not sure whether it is 75 cents or a dollar a load.

Q. What does that come to per package on an average?—A. It takes from four to six packages.

Q. Then it would run from 16 cents to 25 cents a package?—A. At certain seasons of the year, when the streets are blocked up with ice and snow, they would lessen the number of packages.

Q. The charges are not to be less than 16 cents or more than a quarter of a dollar?—A. I think not.

Q. You find the carmen ready to do business at those rates?—A. At 25 cents a package I think I could get a hundred.

Q. They find it a profitable business at 25 cents a package?—A. They appear to live by it and prosper.

Q. In having your goods sent to the general orders have you experienced any inconvenience by way of delay in getting your goods when you called for them?—A. Sometimes very great.

Q. How long have you known your man to be waiting before he could get the goods delivered to him?—A. I cannot say, precisely, but some days, in several instances.

Q. Waiting several days to receive—A. Waiting to receive goods.

Q. At the general-order stores?—A. Yes, sir; in some instances.

Q. Have you had from your carmen a good deal of complaint of such delay?—A. No, sir; his complaint does not come to me.

Q. I mean to your house?—A. We have complained, and that has been his excuse.

Q. You have complained to him of his delay, and he has stated that he could not get them under several days?—A. From the general-order store, owing to the great quantity of goods going in.

Q. On that subject, as a merchant, do you know any reason or any advantage in the way of increased security to the Government, or any other advantage to be derived from limiting or restricting the general-order business to two stores, as it is now on the North River?—A. I think it is a very bad system.

Q. Do you know of any increased security to the Government to be attained under the present system that would not be equally well attained if the steamship lines were permitted to have bonded warehouses adjacent to their points of landing, and which should be designated as general-order warehouses, and where the goods so imported and not claimed in forty-eight hours should be sent?—A. I think that system would be far superior to the present system.

Q. As a merchant you have been led to consider this thing?—A. Yes, sir.

Q. Do you know of any objection, based upon the point of security to the Government or convenience to the custom-house or to those engaged in commerce, which would make the present system, such as it is, as conducted under Leet & Co., preferable to the system I have suggested?—A. I think that which exists now is the worst possible system. I think the Government ought to have its own public warehouses under Government management entirely, and not make this privilege a reward for any political service or any other services. I think, then, the business could be conducted with more fairness, and certainly without extortion. As it is at present, we are subject to the caprices of the store-keeper in making his charges.

Q. When you say store-keeper you mean the warehouseman who has this privilege?—A. I mean who has control of the general-order business.

Q. You do not mean the custom-house official who happens to be stationed there?—A. No, sir; I mean the proprietor of the general-order stores.

Q. You understand that under this system it is discretionary with him as to what rates he will impose?—A. He practices upon that principle, and they generally do. It is not confined—or rather it is confined now to Leet & Stocking, because they are the only general-order store-keepers—but before, when the business was divided, it was the same thing, for some were more extortionate than others.

Q. I presume they do not differ in that respect from other individuals who have a monopoly?—A. I think the Government should establish bonded warehouses which should be general-order warehouses as well. I think that would be the best system, and freest from objection of any and all kinds. In the absence of any such system as that, I think the establishment of bonded warehouses by the steamship lines, which should be general-order stores, would be for their convenience and also for the convenience of trade, for without that facility they cannot get through their business in the regular time. They must have facilities to discharge their cargoes when they come in, if they are delayed in their voyages, in order to sail on their regular days. I think if they had warehouses of their own, under Government charge, that that would obviate much of this difficulty, provided the charges were regulated by the law, to enable them to establish the depots or warehouses.

Q. Would not also the wholesome effect of competition in desiring to become the carriers of goods lead them to give accommodations in order to induce custom?—A. Yes, sir; but I question whether the establishment of warehouses would tend to any reduction of freight.

Q. You would prefer to trust to an outside power to regulate them?—A. I should.

Q. I understand that in your applications to the collector, during the year 1871, for relief from these excessive charges, you have been unable to obtain it?—A. They amounted to nothing, as far as I could ascertain.

By Mr. CASSERLY:

Q. Your house is Benkardt & Hutton?—A. Yes, sir.

Q. It is, I believe, not only one of the oldest, but one of the principal houses in its line in this city?—A. I believe it is about as old as any house here now. It is much reduced under the operation of the high tariff.

Q. Still your business is quite a large one?—A. Comparatively so.

Q. In testifying here, do you speak from the results of your experience since 1824?—A. Eighteen hundred and thirty-four. If I go back to those ten years, I ought to state what we paid then for a case that went into the public stores. It was sometimes 12½

cents, and sometimes 18 $\frac{1}{2}$ for cartage. No storage was ever charged then; it was cartage.

Q. That was as far back as 1824?—A. From 1824 to 1830.

Q. Do you consider that the present customs system at this port is an economical one?—A. In reference to the general conduct of the business?

Q. As respects the general effect of the system in the charges which it imposes upon commerce and the consumers?—A. I think it is very extravagant.

Q. You are aware that it is claimed, by reason of the percentage of expenses, calculated upon the whole revenue collected, that the present or recent administration of the custom-house here is an economical one?—A. I think not.

Q. State why it is not.—A. Simply because the percentage would vary according to the imports, and the imports may vary according to circumstances; and as the imports were reduced, the percentage would increase.

Q. With an increased import, how would it be?—A. The percentage would be diminished.

Q. Will you state as a fact whether the importation of duty-paying goods has increased or not within the last two or three years at this port?—A. I think they have.

Q. In that case the percentage would necessarily fall, would it not?—A. It should, but the percentage would fall as well upon free as upon dutiable goods. Free goods have considerably increased.

Q. Within the last year or two?—A. Within two or three years; it is raw materials chiefly.

Q. Do the rates of the revenue, whether they are high or low, have a perceptible influence upon the apparent percentage of collection? In other words, would not the percentage of collection, the expenses of collection, appear to be lower under a high tariff, and higher under a low one? In other words, when the tariff was placed at a high rate, so as to produce a large amount of revenue on the same amount of goods, would not the percentage appear to be lower?—A. It would.

Q. Whereas, with the reduced revenue on the same amount of goods, the percentage would be higher?—A. Yes, sir.

Q. I presume I am correct in saying that the business of collecting the revenue is like any other business in regard to the percentage of the expenses to the collection, that it depends upon the amount of non-paying goods?—A. Yes, sir.

Q. The more non-paying goods, the higher the percentage is?—A. On the dutiable part.

Q. The less non-paying goods, of course the higher the percentage?—A. It would increase the percentage upon the dutiable part.

Q. Will you state the grounds upon which you consider the present customs system an expensive one in its charges upon the commerce, and upon the consumers?—A. I think that all the fees which are charged for various purposes at the custom-house are unnecessary, and ought to fall to the expense of the Government.

Q. State an instance.—A. We are paying for the stamp which we put upon the invoice. We have to pay so much for every permit and every order; and we have to pay so much for every entry of goods which we make—say from \$1.50 to \$2, according to the circumstances.

Q. So much for a stamp for an invoice, and so much for a permit?—A. So much for services, so much for an order, and so much for a bond.

Q. And so much for an affidavit?—Yes, sir; so much for an affidavit. The charges appear to have grown up from year to year, until they have reached a point now that they have to be considered. They form a very severe tax sometimes upon merchants.

Q. Can you state whether or not these charges are allowed by law?—A. I have never ascertained that they were.

Q. Is there anything else which you regard as increasing unnecessarily the expense of the customs system?—A. I have not given the subject much thought latterly.

Q. Do you include the large charges in the general-order system as a part of the expense?—A. Yes, sir, I do.

Q. And the charges for cartage?—A. Yes, sir; they are very serious.

By Mr. BAYARD:

Q. Do you think, then, that your expenses for insurance were increased by sending your goods to general-order?—A. Insurance in all bonded warehouses is much greater than in private establishments. I do not know that it is greater in the general-order stores than it is in any other bonded warehouse.

Q. What has been your experience in respect to the abstraction of articles of merchandise in the custody of the Government?—A. What do you refer to—to the public stores, to the appraiser's stores?

Q. It is in the custody of the Government until it is taken by you for consumption?—A. We consider it in the custody of the Government whether it is in the bonded warehouse, or in the general-order stores, or in the appraiser's stores.

Q. So it would be, but the goods would be exclusively in Government custody while

they were being carted from the dock to the general-order warehouse?—A. So I understand it.

Q. When they have been carted from the docks to the public stores; and while they remain there in that custody, I ask whether you have found, in any case, that the merchandise has been abstracted?—A. It has not been our experience to find an abstraction of merchandise recently; formerly it happened occasionally.

Q. Latterly it has not been so?—A. No, sir; and whenever a remonstrance was made, efforts were made to correct it.

Q. I understand you to say that there has been a diminution of the charges of Leet & Co. within a short time past?—A. I find that some of the bills are made out at \$1.25.

Q. Give the date.—A. Those of this last fall. I could not bring more of them because I had not duplicates. We render our bill to the steamship line whenever they are responsible for it.

Q. They have lessened the charges upon packages of the same character?—A. Generally.

Q. There is a diminution lately?—A. Lately. I cannot tell you how recently, but I think within two months.

Q. Do you know the cause of that?—A. I do not. I know that the charges of Leet & Co. were higher than those of their predecessors, and were maintained against remonstrances.

By Mr. CASSERLY :

Q. In overthrowing the general-order system, which existed before Mr. Grinnell's time, and substituting the present one, the ground alleged by the authorities was that the general-order business on the New Jersey side was in the hands of foreigners. Do you regard that as a ground that has any substance, or what do you think of that as a ground for such a charge?—A. I think it is a very foolish one.

Q. Was the fact that the British and German steamship companies had the general-order warehouse almost at the ships' sides detrimental to commerce because those ships were owned mainly by foreigners?—A. Not to my knowledge.

Q. Allow me to look at that bill which you examined before; \$1 was charged for cartage for one single package from the public store to the general-order warehouse?—A. [After looking among the bills.] Here is one bill where the package is charged \$1.83—a case that confirms what I said, that the charges are a mere matter of caprice very often.

Q. What is the date of that bill?—A. May 25, 1871.

Q. I want to get the bill where \$1 was charged for cartage from the public stores to the general-order warehouse.—A. Here is the bill, [producing it.]

Q. Was that package one of an unusual size?—A. No, sir. Judging from the mark, I think they are very nearly of uniform size, all that come from that consignor.

Q. You spoke of a package which contained two packages?—A. Two joined together—the goods being put up in smaller quantities, instead of being put in one case, in order to make them more salable, and come within the reach of smaller dealers. We divide the quantity and put it in two cases and join the two cases together.

Q. Under what?—A. Under bonds.

By Mr. PRATT :

Q. In that particular case, didn't the package constitute the entire load of the carman from the public store to the general-order warehouse?—A. I am quite sure, because when it is a large package we cannot do that; we cannot make two cases and join them together when they are large.

By Mr. CASSERLY :

Q. They could not be handled?—A. They might handle them, but that is not the purpose of putting two cases together; it is merely to have the same quantities of goods in cases holding a smaller quantity—in two cases, each holding a small quantity.

By Mr. PRATT :

Q. I ask you what knowledge you have that any other packages besides yours were carted at that particular time from the appraiser's store to the general-order store?—A. If I understand the questions, I do not know in reference to any other party. Do you mean in charge of any other party?

Q. My inquiry is, whether, to your knowledge, the carman who carried this package from the appraiser's store to the general-order store carried any other package besides?—A. I have no knowledge.

Q. If he didn't, that would constitute a load by itself?—A. It would constitute a load if there was nothing else on the truck.

By Mr. CASSERLY :

Q. Do you think that carman started from the appraiser's office to the general-order stores with only that package on the truck?—A. I think it is very unlikely; they

ordinarily wait until they get a large truck-load, and then they take it, as far as I can ascertain.

Q. Is it not quite common for them to have upon one load packages for several different owners?—A. It is generally the case. I should judge, from what I have observed, that they make that one of their main objects—to divide the ownership as much as possible, although they deny it.

Q. I understand you to say that this package, in this bill of the 20th of June, was not larger than the ordinary size of packages?—A. Not larger than the ordinary size.

Q. If your own carman had taken that package upon the same trip, what would have been the charge of it?—A. From the public stores to the general-order stores, certainly not over 50 cents.

Q. If he had taken it as part of a full load?—A. He probably would have charged \$1 for the whole load.

Q. Which would include how many packages of the same size as that?—A. As many as he could put on the cart.

Q. How many would that be?—A. He could have carried, I suppose, six, ordinarily.

By Mr. BAYARD:

Q. Similar packages?—A. Similar packages to this one; I should judge so. I do not think I could be mistaken in regard to the size of that, knowing from whom the case came.

Q. For the present time, and for some time past, Leet & Stocking have had the entire general-order business from both sides of the North River?—A. As far as I know.

Q. That is the understanding. Do you regard that as a valuable privilege, from what you know?—A. As conducted by them, I should say it was a very valuable privilege.

Q. Do you know Mr. Meyer, who was once in the general-order business in this city?—A. Yes, sir; he is now in the bonded warehouse business.

Q. What is his first name?—A. Henry J.

Q. How long was he in the general-order business, and how long in the bonded warehouse business?—A. He has been a long time in the bonded warehouse business, and he was, up to the time, I think, when these persons took charge of it, in the general-order business.

Q. Do you know whether persons, having the general-order business, paid a portion of their receipts to parties not named?—A. I do not know to my own knowledge. I have heard it stated so.

Q. Did you hear that statement from a person who knew?—A. I did not hear it myself. It was told to me by one to whom it was mentioned by a person who knew, and the statement was, that that was the reason why the charges in general-order goods were so great; that if he was not subject to such charges as that, or expenses, it could be done for much less.

Q. Did you understand that such tribute was paid to a considerable extent?—A. Judging from what my informant told me, I should say so.

Q. Senator Pratt questioned you as to the ground of your suspicion that Leet & Stocking charged more for cartage to the importer than they had paid out to the carman. I have forgotten what your answer was to that.—A. I think I stated that I had no doubt they did, or that they pay an unusual price for cartage to the carman.

Q. About what percentage do they pay more than you think they should pay, or might readily pay if they saw fit?—A. It should be restrained by custom-house regulations.

Q. Do you mean the regulations published by Mr. Murphy?—A. Either by Mr. Murphy or his predecessor. I think Mr. Murphy changed that when he came in. There is a printed paper which brings down the price of cartage for a load of twelve hundred pounds, and then the price is determined by the distance which is covered.

Q. There was a paper here yesterday purporting to be the rates of cartage promulgated by Mr. Murphy, the collector, and approved by the Secretary of the Treasury.—A. Yes, sir.

Q. Are those the rates to which you refer?—A. They are, and I also found them very exorbitant and unwarrantable.

Q. We will suppose a case where the general-order man, who professes to charge the merchant precisely what he has paid to the carman, charges the merchant fifty per cent. more than the merchant could have got the same work done for; what is the fair conclusion from that state of facts in your mind as a man of business?—A. I do not think it would strike my mind differently from what it would strike any other.

Q. What inducement can Leet & Stocking, having the general-order business on the North River all in their own hands, have to pay much higher rates to carman than are usually necessary to do that business?—A. I do not think they do.

Q. You do not think they do what?—A. Pay higher rates to the carman.

Q. Then the conclusion is that they have charged merchants more than they had paid out under the head of cartage?—A. I do think so.

Q. Of course, the difference must have been profit to them?—A. I presume so. It would be appropriated that way, I suppose; but of that I know nothing.

By Mr. PRATT:

Q. I will ask you to give to the committee the name of the informer who told you that Leet & Co. divided their receipts in the general-order business with anybody.—A. I did not say so.

Q. I understand that to be the substance, that you had heard that they had divided their receipts?—A. No; the question was not addressed to me in connection with Leet & Co.

Q. You didn't to refer Leet & Stocking?—A. No, sir.

Q. Did you refer to their predecessors?—A. I referred to their predecessors.

Q. What particular firm?—A. I do not know that I am at liberty to mention it. It was told to me confidentially so far as the name of the party was concerned.

Q. Then I will ask you if you have any knowledge or information; and, if so, what it is, that Leet & Stocking divided their receipts with any third party.—A. I have none.

Q. While the Cunard and German lines had their general-order business at this port, did you ever have any occasion to pay them general-order charges?—A. We always did, if we were beyond the time; if, by any neglect of ours, they made the charge, we paid it.

Q. Can you state what the average charges of storage and labor were, by the steamship companies there?—A. I think, in covering several years, we used to pay them sixty cents a package, and then it went up to eighty cents, and finally to one dollar. With a few exceptions, one dollar was the charge that was made. At one time they undertook to charge one dollar and twenty cents; but on remonstrance they abandoned it, when this question arose as to the excessive charges on general-orders, either in 1864 or 1865, I am not sure which.

Q. How long did they maintain their charge as high as one dollar a package?—A. Up to the time when the general-order business ceased there.

Q. For how long a time previous to that?—A. The period which they charged one dollar?

Q. Yes, sir.—A. I am unable to say without reference.

Q. Would you think for a year or two?—A. Perhaps a year, or two years, it may be. I wish to state that this subject of general order has been one of very great annoyance to me, from time to time, in regard to excessive charges and the augmentation of charges. That by the success of the first addition they made, and the general indifference to it, entailed another addition, and so it went on until it became an extortion.

Q. It was so while the business was in the hands of the foreign companies?—A. More in New York, chiefly, than the foreign companies—if they are to be called foreign companies. The general-order stores, on the other side, raised their prices, but never in comparison with those on this side.

Q. The Cunard and German lines make no charge, as I understand, for cartage at all?—A. There was no item of cartage there.

Q. Consequently their charge during the year or two preceding the time when the business was taken away from them was 50 cents for labor and 50 cents for storage?—A. They make a charge for taking into the warehouse.

Q. How much was that?—A. I cannot tell.

Q. It would be very small?—A. Perhaps 25 cents a case, or something of that kind.

Q. Was the package you speak of sent to the general-order store of Leet & Stocking by your direction?—A. It went under a bonded-warehouse entry.

Q. Was it at your request that it was sent to that warehouse?—A. To the general-order store.

Q. You say that they kept a bonded warehouse as well as a general-order store, and my inquiry is, why it was that you requested that package to be sent from the appraiser's store to the store of Leet & Stocking?—A. I do not understand why this package was taken back to the general-order store.

Q. That is just what I want to understand.—A. I do not understand it.

Q. Is it a common thing for a package to be sent from the public store to a general-order store?—A. Not with us. The packages that go from the public store are goods that go to bonded warehouses if the goods are to be bonded.

Q. Now, if that was the only package that the public store had on hand at that time to be sent to the general-order store, would not this package, let it be great or small, have constituted a load?—A. It might have been so, if there had not been anything else to go with it.

Q. Was that the usual charge for a load at one time?—A. No, sir.

Q. What was it?—A. We pay 35 cents per case.

Q. I am speaking of the general charge of truckage from the public store to the bonded warehouse.—A. Forty cents.

Q. Forty cents a load?—A. Forty cents a package; that is by an agreement. If we

were to make up a load it would cost considerably less than that, because I think it is 55 cents by the regulation for 1,200 pounds. Let me see that printed paper. [The circular containing the regulation previously produced is here handed to the witness.] It must have been under Mr. Grinnell's arrangement, shortly before Mr. Murphy came in, that 1,200 pounds was a load, and the rate of which was 55 cents. It was after complaining for a long time before that amelioration was made in the system. I do not see it there, [referring to the paper already produced.] That is a new arrangement, which I found very extravagant, in that one. Mr. Murphy asked my opinion of it, and I told him so. His answer was that that was to regulate the charges of the Government, and that what the Government was to pay upon these goods had nothing to do with any arrangement between the importer and the carman.

Q. You are not able to explain, as I understood you, why this particular package come to be sent to the general-order store?—A. No, sir.

Q. Was it by your directions?—A. I do not understand why it went back to the general-order store. If it had been a bonded warehouse I should understand it.

Q. You speak of certain delays that occurred at the general-order stores in the delivery of your goods. Can you fix the date of those delays?—A. No, sir. I think they were generally owing to the excess of arrivals at the time, and the receipt of goods.

Q. Was it since Leet & Stocking have been doing business?—A. Yes, sir; during the time of their control. I do not think it is confined to them; it might have occurred to their predecessors as well.

Q. Do I understand you that these delays run through the period of two or three years?—A. Do you mean delays in receiving goods?

Q. That your carman was ever two or three days getting goods?—A. That is the way I understand it.

Q. Have you any other information except what the carman reported to you?—A. No, sir.

Q. You didn't go there yourself?—A. No, sir; I had other things to do.

Q. You testified before the committee on investigation on the 17th of January, last year, did you not?—A. I did.

Q. I believe in that examination you paid a compliment to the general improvement in the custom-house management since your acquaintance with it?—A. If I didn't I should have done so.

Q. I see in one passage of your testimony this clause occurs: "I think that there are better men in the custom-house at this moment than there have been in five or six years, and than I have ever known in the department in all my experience;" and again: "There is no longer the same looseness in the manner of doing business that existed years ago. All that has been improved and systematized. A great many abuses have been corrected, and a decided effort has been made to insure the collection of the revenue." Do you still adhere to that?—A. So far as my observation goes that was my opinion at that time, and I have no reason to change the statement now.

By Mr. CASSERLY:

Q. What proportion of the general-order business at this port is done on the North River—both sides?—A. I should think a very large proportion.

Q. Has it been usual to concentrate that great business in one concern?—A. No, sir; not until these gentlemen came in.

Q. Was it ever done before the time of Leet & Stocking?—A. No, sir; I think not. As far as my memory serves me, it may have been under Mr. Grinnell. My impression is that he gave it all, at one time, to a person by the name of Squire; but I think that was of brief duration.

Q. Leet & Stocking have had the whole of this business, if I understand you correctly, since about September, 1870—a short time after Mr. Murphy came into the collectorship?—A. I cannot answer that; I do not remember.

Q. You can say whether the business has been concentrated before, for a long time, in the hands of a single concern?—A. I think it has not.

Q. Until the time of Leet & Stocking?—A. Until the time of Leet & Stocking I think it has not.

Q. Was it regarded as an unusual proceeding, and one difficult to understand by men of business in the community?—A. As far as my knowledge goes, it was.

Q. What would be, in your judgment, the effect upon the commerce of the city, if the general-order stores should be increased, say to six or eight, or more, and placed in the charge of men who should compete for the business as they do in the bonded warehouse now?—A. I think the charges would be considerably less, and, as a consequence, the trade of New York would benefit by it.

Q. What would you think would be the effect upon the business if the Government should take the entire business in its management, and establish its stores at points convenient to the steamers, and then should establish rates of charges which should be merely a return by the merchant for the cost, so that the business should be to the

Government merely a sustaining business?—A. I think it would be the best system that could be devised.

Q. Will you state in what particular?—A. From the fact that the merchant would then be protected from capricious charges on the part of the store-keepers, and that tax upon them would be very much lessened.

Q. They would not object to paying the necessary charges would they?—A. They would not, although under the existing rates of duty the merchants think they pay taxes enough to the Government to provide for the payment of all these minor expenses by the Government itself.

Q. You would like to have all these charges put in with the duty?—A. It should come out of the duty, because it is merely an additional means increasing the taxation.

Q. You spoke of establishing general-order stores in connection with the steamship lines; could the Government properly do that without extending that to every steamship line?—They could do it with steamship lines, subject to the regulation that the Department might agree to. I don't see any objection that could arise.

Q. Would it be treating other lines equitably; would not one line have an advantage over another if the one should have the privilege of a general-order warehouse and the other should not?—A. I think there is no line running to this port but would be glad to have the privilege.

Q. If they would be glad to have the privilege they would of course improve it, and every new line would want the privilege, would it not?—A. They might ask the privilege.

Q. Would not that be extending the business too far for the interest of the Government, in your judgment?—A. I don't see why it would be injurious.

Q. You don't see any injury in it?—A. No, sir; I think that that system would be far less advantageous than the other previously spoken of.

Q. Complaint has been made that in the general-order stores they charge for storage, for a single hour or day, the same amount as they would charge for a month; will you tell me what the practice is in that respect in the private warehouses?—A. They charge one-half price for a half month. The first month they charge for a full month, but after that according to the time.

Q. Suppose it has been in store for a day, do they charge for less than a month?—A. No, sir; not to my knowledge.

Q. There have been complaints made by merchants of the seizure of their books and papers, on the ground that the merchants were endeavoring to defraud the revenue. Have you ever had your books and papers seized?—A. Yes, sir; they were never seized, but the attempt was made to do it.

Q. In what way? State the circumstances connected with it.—A. Nothing more than that the collector sent up for them; for the books pertaining to a certain part of our business.

Q. Certain invoices?—A. The invoice-books and all the books pertaining to it.

Q. What was the embarrassment or injury to you in that respect?—A. It was a very serious injury, because it stopped business in that particular branch for some time.

Q. Did it check your whole business?—A. No, sir, only that particular business.

Q. Do you think the seizure or taking of your books and papers made in that way is on the whole objectionable to the merchants of this city, unless it is in the exercise of the power unwisely?—A. I didn't hear the latter part of the question.

Q. The Government claims the right and exercises it of taking books and papers for the purpose of making an investigation; do you think if the power is exercised wisely and properly it is for the interests of commerce and of honest merchants?—A. I get your question in part. I think that without very well-founded suspicion of fraud, it is injurious.

Q. But if the suspicion is well-grounded, and if a seizure is made of the books of men who are actually endeavoring to defraud the revenue, what is the effect?—A. If sustained the effect would be beneficial.

Q. To whom?—A. To the collection of the revenue and to the general trade.

Q. And to honest merchants?—A. To honest merchants.

Q. That embarrassment or injury arises from improperly executing the law?—A. Abuse in the law itself or improperly executing it. The law may be too loose. From what I have heard I should say that there was a great deal of abuse.

Q. But the law is a proper one, I understand you, for honest men, provided it is properly drawn and properly executed?—A. It would be so if there was no inducement to abuse it, but the inducement to abuse is so great that—

Q. Without the inducements to abuse, that it would be desirable, in your judgment, to repeal the law?—A. If they are to continue, I should say it.

Q. Suppose it could be remedied?—A. You apply the remedy, and then the evil is not so great.

Q. Is it an evil if the remedy is really applied? I understood you that it was not, but rather a benefit.—A. It would be so unless there is a tendency to abuse.

Q. Under the practice now, no books or papers have been seized recently, except by an affidavit made by a man who claims to have information on the subject, to sustain the application for the warrant, and without the approval of the collector of the customs, and without the approval of the district attorney, and of course without the approval of the district judge; can you suggest any stronger safeguards than those?—A. I am not aware of any cases having been guarded in that way. They are generally conducted upon looser principles.

Q. If they are guarded in that way, should you think that it would be a wise and proper precaution?—A. I should think it would be a great improvement on the practice that has existed, and a very necessary one.

Q. Will you suggest anything more to guard against wrong in the seizure of books and papers?—A. At this moment, I cannot offer anything; I should require to reflect on the subject.

Q. Then I understand you, from the testimony which you have given, that the law which authorizes the seizure of books and papers, for the purpose of protecting the Government from fraud, is not objectionable, provided it is executed wisely and rightly?—A. Provided you remove the tendency to abuse.

Q. That tendency is one of the things which makes it undesirable?—A. It is the inducement to people to make false charges.

By Mr. BAYARD :

Q. Give us the date of this proposed seizure of your books.—A. It was, I think, some three or four years ago.

Q. Who was present; who brought the warrant?—A. I think it was the surveyor of the port, with some ten, fifteen or twenty men.

Q. Did they produce the original warrant?—A. I was not there when they came up; I understood they did.

Q. They brought a warrant?—A. No such warrant as was authorized or required afterward, when matters had to come before the courts. The law, I believe, was amended.

Q. Do you know whether this was prior to 1867, or subsequent?—A. I should have to refer to answer that.

Q. Will you send us the date of that after you have examined your books?—A. It was under Collector Smythe.

Q. Who was the surveyor?—A. I think Mr. Wakeman.

Q. Did you understand that he came in person to your place of business?—A. I saw him there.

Q. He had how many in attendance with him?—A. I think from ten to twenty.

Q. Did he have any representative of the United States marshal with him?—A. I think not.

Q. Was there ever any legal proceeding initiated in the district court?—A. No, sir.

Q. No suit at law was commenced against you?—No, sir.

Q. You were never summoned into court at all?—A. No, sir.

Q. How many books were taken?—A. None of them were taken. I gave to them afterward some two or three books, at their request; the collector was kind enough to waive the taking of the books, upon our promise that they should always be held subject to their order.

Q. How long did the investigation continue?—A. I think about a week or ten days.

Q. Did you ever see the affidavit upon which this charge was founded?—A. No, sir.

Q. Had you ever any information as to who made the complaint, or whether a complaint was made at all?—A. No, sir; I never saw it, nor can I say at this moment that I know of a complaint having been made, although I always supposed there was.

Q. Was the district attorney of the United States a party to this transaction in any way?—A. No, sir.

Q. Did you ever have any reason to suppose that the district attorney or judge of the United States had a knowledge of this transaction?—A. No, sir.

Q. What was the result of the investigation?—A. The matter was settled.

Q. In what way?—A. The collector abandoned the proceeding on the submission of the evidence which I had sent out from Europe.

Q. Was there a total relinquishment of the original demand?—A. Yes, sir.

Q. Was the Government represented entirely by the surveyor of the port, in that transaction throughout; was he present?—A. In my store, yes, sir.

Q. Was there any one of the special agents of the Treasury or any people of that kind connected with it?—A. Not to my knowledge; I think not.

Q. A portion of the books were sent to the custom-house?—A. We sent down a few of them at their request.

Q. What claim was made upon you in amount?—A. No claim for an amount.

Q. Was there any compromise offered you—any proposition for settlement?—A. I cannot say that there was.

Q. What was done on the subject?—A. I cannot say that there was any proposition made, but I can say that there was no compromise made.

Q. No compromise made by you, because you insisted upon the total relinquishment of the demand and obtained it?—A. Yes, sir.

Q. What was the amount claimed of you in the origination of the proceedings?—A. It never assumed that form. It never went so far as that. It was a mere charge of undervaluation.

Q. Was there a specific charge of undervaluation, giving the amounts and liabilities to you because of your undervaluation?—A. No, sir; not to my knowledge. I wish to state that the goods involved were those which had been consigned to us.

Q. Upon commission?—A. Yes, sir.

Q. In which you had no personal interest?—A. Yes, sir; none.

Q. Was that fact known to the custom-house?—A. Yes, sir.

Q. The records were there in the custom-house?—A. Yes, sir.

Q. So that you could have no interest in undervaluation?—A. None whatever.

Q. Under our system of tariff, with our duties being levied on the basis of the value of the articles, do the custom-house authorities look at all to the merchant to give them information as to the amount of duties owing to the Government, or do they not ascertain that by their own examination and appraisement?—A. They ascertain it by their own examination and appraisement, and by a comparison with other goods which they receive of a similar character.

Q. They do ascertain it for themselves?—A. For themselves.

Q. They don't look to the oaths of the merchants for information?—A. No, sir.

Q. They don't rely upon them?—A. No, sir. The respectability of a house, however, would have great weight.

Q. That is one of those silent influences that is always felt?—A. It is an influence.

Q. Is it not the fact that the merchant's oath is entered on the invoice simply to ascertain the proximate or probable amount of the duty which will be due on his invoice when it is computed?—A. You refer to the oath which he gives on making the entry?

Q. On making his entry and making his deposit for duties.—A. I don't think the oath is a matter of much importance.

Q. I am speaking of its importance; is it not used by the Government to this extent to ascertain the amount he shall deposit until the exact amount of duty shall be ascertained after appraisement and examination; then a liquidation follows, and he may pay more or have returned to him a portion of what he has deposited?—A. I don't see the bearing it has—I mean the declaration of the truthfulness of the papers which are submitted for entry; say, for instance, as to the invoice value of the merchandise so far as he may know.

Q. Have you known many cases of these enforced examinations of merchants' books, under cases similar to your own, in which, upon examination, there was a withdrawal of all charges?—A. Well, sir, I have heard of numerous reports where they had been withdrawn.

Q. I suppose that such charges are mortifying to men of respectability?—A. I don't know how it is with others, but I confess that I felt very great humiliation in being placed in such a position.

Q. That an intimation should be made that you had intended in any way to fall short to your duties to the Government?—A. Yes, sir; it was the first time it ever occurred, after having been in business for forty years. But I desire to add in regard to that, that it probably may have arisen from the jealousy of some competitor. There may be some foundation for it in that.

Q. Still, the jealousy and ill-feeling of some private enemy of yours should scarcely be sufficient to put in motion the arm of the United States Government against you?—A. The Government should be certainly slow to act without the fullest evidence.

Q. When you speak of inducement to do wrong, am I to understand that there is a strong inducement of self-interest in those who make these charges, and conduct these investigations, and procure these settlements?—A. That is the abuse I speak of—the compensation which they receive in case of success.

Q. That is a large pecuniary inducement, is it not?—A. So I understand.

Q. That the parties who conduct the investigations are largely interested, so as to affect their judgment—interested both in originating, the conducting, and finally settling it?—A. Either themselves or their superiors.

Q. You speak of abuses in this way. Have you ever heard of compromises and settlement being obtained from merchants by officers representing the United States revenue department, under threats of indictment?—A. In the course of my business I have heard of such things from time to time.

Q. Have you reason to believe that cases of that kind have been frequent in this city?—A. Very frequent? No, sir; but that they have occurred I have no doubt.

Q. That subject forms one of the heads of abuses which it is the duty of this committee to investigate. We are to inquire to what extent the practice of compromising

with merchants defrauding, or attempting to defraud, the revenue, and to what extent by such compromises the revenue of the United States has been diminished.—A. I cannot speak from my knowledge of these things. It is mere common rumor. I have heard of serious complaints made against the collectors, one and another, from time to time, over a series of years.

Q. Would the merchants be apt to keep such matters secret, or publish them where the charges have been made?—A. I don't suppose that if a man is guilty he cares about giving a great deal of publicity to it, but if he is innocent it is a matter of indifference, except that he might be supposed to be——

Q. I ask whether testimony could be readily obtained where the character of a man had been impugned in this way, although he had succeeded in resisting the attack upon it?—A. Will you put that question again?

Q. Do you believe it would be easy for such a committee as this to obtain from merchants whose characters had been in some degree impugned, even where they had succeeded in resisting such impugment?—A. I think it would be practicable, if you happen to fall upon the parties themselves. In my own case I was asked a question and I stated the facts.

Q. That is the difficulty which, for my own part, I will say has attended this investigation, that gentlemen do not care to come forward and publish the fact that such charges have been made against them, although they had triumphantly vindicated themselves.—A. They do not like to do it. They would rather avoid it.

By Mr. CASSERLY:

Q. I understand you to say that you had occasion to make complaints to the general-order stores of the British and German steamship lines on the other side of the river, and that when you made the complaints the charges were reduced?—A. In one of them. They were in the Hoboken stores, but in Mr. Cunard's stores they were not. I have had, in the course of a few years, considerable correspondence with Mr. Cunard, during his life-time, in regard to those charges which I found to be excessive.

Q. Will you state what was the general result of such applications on your part?—A. It made them more careful in establishing their charges.

Q. From the German lines you generally obtained reduction?—A. They generally reduced on any remonstrance being made. Their reply was that they had no desire to overcharge.

Q. With Leet & Stocking what was the result of your complaints and protests?—A. Very insolent answers.

Q. Was that insolence accompanied by a reduction of the bill complained of?—A. I don't know that they ever reduced anything. They might have done so in one or two cases; but I have no recollection of it at this time.

Q. You spoke of a liability to abuse of the laws concerning the seizure of books and papers, arising out of the inducements held out. What inducement do you refer to?—A. The division of the amounts recovered in the courts.

Q. Now, sir, as to this security spoken of, by requiring the collectors of the port and district attorney and district judges to concur in the granting of a warrant in the seizure of books and papers. Do you understand that the collector of the port is by law entitled to a considerable share of the money in such cases?—A. I have always understood so.

Q. Do you think that he is a proper person, under the circumstances, to decide whether a proceeding shall be taken for the seizure of books and papers?—A. I should say not.

Q. The district attorney also has a portion, though much smaller than that of the collector. Do you consider that he should be allowed the exercise of so great a power where he is interested, or that the proceeds should be continued to him?—A. I think that none of those officers should have any interest in the proceeds.

Q. With human nature constituted as it is, do you think that two officers, each of whom is to have a share in the proceeds, can be impartial, as they should be, in such cases?—A. I should say certainly not.

Q. You have spoken of the permission granted by the authorities of the port—the authorities of the custom-house—to bond your own carman for the convenience of carrying certain dutiable goods.—A. From the ship to the bonded warehouse.

Q. And from the bonded warehouse to any other. Is not that so?—A. That seldom occurs.

Q. There is such a provision under rule 9?—A. Yes, sir. I presume that for goods sent to the public store for examination from this bonded warehouse. I do not know whether that question was ever settled. My impression is that those goods were sent by the Government under Government charge.

Q. Rule 9 in this printed paper places the transfer of merchandise from one warehouse to another on the same footing as the transfer of merchandise from the ship to the warehouse?—A. Yes, sir. That refers to the general-order and bonded warehouse,

and I believe that our bond—that the arrangement made with the collector covered that.

Q. Is it not the practice to allow the inspectors, in those classes of cases, to bond their own carts?—A. They bond their own carmen.

Q. Is that a practice that has been found to lead to abuses?—A. It was a privilege that was granted to particular houses who were conducting a considerable amount of business, and then it was withdrawn, and finally it was renewed.

Q. It was of course a great convenience to the merchants?—A. Undoubtedly; and an economy.

Q. Convenience and economy both?—A. Yes, sir.

Q. What reason is there why the same privilege should not be extended to importers in regard to goods sent into general orders from the ship's tackle?—A. To carry them from the ship to the general-order warehouse.

Q. Is there any reason, that you think of, why the same importers should not be allowed to bond the carts which are to receive the goods from the ship's tackle, and take them to the general-order warehouse?—A. There is no reason, although I think it is more expeditious to have it conducted as it is now, if they do it properly under reasonable charges. Where they have only the ship's carmen attending to the vessel it is in charge of the officers of the vessel, and they work all night long until daylight sometimes to do it expeditiously.

Q. I don't think you understand my question.—A. Perhaps not.

Q. My inquiry is whether the merchant might not be allowed to have the right to have his carts bonded to carry the goods from the ship's side to the general-order warehouses?—A. I understood you, and I answered by stating that in such cases it would probably better be confined to the ship's carmen—the transportation of goods from the ship to general orders.

Q. State what is understood by a ship's carman.—A. Those that the lines generally employ for such purposes.

Q. Are they bonded?—A. I think they are; all of them.

Q. If they were bonded it would remove the slightest objection to that practice?—A. Yes, sir; provided the price was regulated, or provided it was done at the expense of the ship.

Q. Do you think there would be any gain in economy to the merchant in that system?—A. By granting the privilege to his own carmen to ship to the general-order stores?

Q. Yes, sir.—A. I do not see in what way there would be. There may be exceptions; but goods which are sent to general orders are ordinarily sent with great rapidity to have the ship discharged. The goods are sent there because the entries have not been made. There are some exceptional cases where they are sent because of the non-receipt of the invoice.

Q. Would the merchant be able to make more economical terms, as to the cartage on ships' carts, than he is now charged for cartage into general-order stores?—A. I do not think they would have anything to do with it if they had the privilege. That cartage would be done by the respective lines—ships' lines.

Q. Would your system be a saving to the merchant in the rates of cartage in the general orders?—A. It would depend how the rates of cartage were established. If the rates of cartage were to be regulated by the regulation of the custom-house it would not be, because those I read this morning are enormous.

Q. You have complained of the exactions in cartage as well as some other heads in general orders; do you think of any remedy for cartage exactions, for instance?—A. No more than a reduction and a strict compliance with the regulations.

Q. You think that is the principal objection to the present system, that in carting from the ship's tackle to general-order store the charges are excessive?—A. No more than they are from the public stores to the general-order and bonded warehouses, or from the bonded warehouses.

By Mr. STEWART:

Q. How would a carman sent by a merchant get the general-order goods to haul them to the general-order stores?—A. They would be designated by the permits—the marks and numbers on the permits.

Q. But if they have a permit out they don't take the goods to general orders?—A. They would then have the marks and numbers from the owners and importers.

Q. Suppose that the owner had got his invoice, and had got out his permit, he would not let the goods go into general orders?—A. He would not, certainly.

Q. Are not most of the goods in general orders unclaimed goods?—A. No, sir; sometimes they are, but not in the system as it is carried on at the present day.

Q. If the permit is there before they are sent to the general-order stores, are they sent there?—A. I have known of instances where goods have been discharged from the ship on the dock and sent into general orders when the permit was in the hands of the inspector.

Q. That was a violation of duty?—A. Yes, sir.

Q. But as a general rule, how is it?—A. It does not happen.

Q. As a rule it does not happen, because you have not got your invoice, and have not got your permit, and could not designate to your carman if he were there?—A. It sometimes happens that we are not aware of the goods being on the ship for us, from the fact that we have not received the bill of lading and invoice.

Q. Unclaimed goods, you don't know the owner?—A. They have to go in general orders.

Q. Of course the owner cannot employ a carman to get them because he would not know that he had any goods there?—A. No, sir; they have got to be taken by the ship's carman or the Government carman.

Q. They have got to be taken by some carman who takes goods from the ship—unclaimed goods—and that would either have to be a public carman or a ship's carman. You say the way to reform the charges is to reduce them. The proper way is to have a regulation by the custom-house authorities or the chamber of commerce to have them fix it?—A. The chamber of commerce ought to establish them. The collector is subject generally to all the influences which are brought to bear upon public officers.

Q. Do you know whether the chamber of commerce are considering that matter now?—A. I think they are not.

Q. Has there been an effort made by the chamber of commerce to regulate that?—A. On reflection, it seems to me that there was an effort made within one or two years, but I am not able to state about that.

Q. It seems to me it would be well for the merchants to bring that to the attention of the chamber of commerce and get it fixed?—A. It is a long subject, and full of details which require a great deal of care. They have had to contend with increased prices under a paper-money system.

Q. This seizure of your papers occurred under a former administration?—A. Under Mr. Smythe.

Q. You have not had any difficulty since?—A. No, sir; nor before.

Q. And they were forced to abandon it?—A. They had to abandon it on the facts being placed before them.

Q. It appears that they were mistaken in the matter. Would you think that system of having books and papers examined, and the authority to seize them, &c., should be abandoned, or should be modified?—A. I think it is liable to very great abuse.

Q. Would it do to abandon all systems of seizure?—A. I think generally that those men who expose themselves to that do not leave their papers around.

Q. Do you think it does not accomplish much good?—A. I do not.

Q. This system of having detectives—do you think that accomplishes any good—the employment of special agents?—A. Is it the system of spies to which you refer?

Q. Yes, sir.—A. If you want a very frank opinion, I will say that it is disgraceful to the Government, and that it accomplishes nothing.

Q. Would you have any substitute for it?—A. I don't see anything to be gained.

Q. Do you think good results were produced that are favorable to honesty?—A. None whatever, as far as my knowledge goes.

Q. You think it would be safe to abandon it altogether in the interests of the revenue service?—A. I do. These detectives are generally influenced by the compensation which they are to get, and they very frequently manufacture cases which amount to nothing except in their own imagination.

Q. But they do good in some cases in which they get a reward?—A. They make a demand in some cases. I do not think anything can be gained there that could not be gained here—I speak of European detectives—by a proper comparison.

Q. But I am speaking of detectives here?—A. I know nothing about those here; I have reference to those Treasury agents who are sent abroad. My remarks refer to those abroad.

Q. You think it is necessary to have the system of detectives here?—A. For the prevention of smuggling, yes. I do not think detectives do much in the detection of frauds by undervaluation.

Q. You have had occasion to observe the workings of the different departments of the custom-house, and the appraiser's stores, and the departments of the custom-house; what do you think as to that matter?—A. It has been very much better conducted than it has been for a number of years, under some of the previous administrations.

By Mr. CASSERLY:

Q. Of what are you speaking?—A. The custom-house and the appraiser's stores. So far as the collection of revenue, and the examination of merchandise, there is more order and more system—there has been until recently. I do not know much about it recently, because these things vary. They may turn out, to-morrow, all the good experts they have there, and replace them by inefficient men who would create an unlimited amount of trouble.

Q. Do you know of any such trouble that has occurred recently?—A. Not recently.

By Mr. PRATT:

Q. I omitted to ask you one or two questions which I will ask you now. I wish to inquire of you whether there is any difference, where the distances are the same, in the charges made for cartage, whether the goods are sent to the general-order stores or the bonded warehouses?—A. That is a question I cannot answer of my own knowledge, because it is done by our carman under an agreement. They take the goods from the ship to the bonded warehouse under a special privilege so far as they are concerned, and we pay them quite as much as they would be entitled to, independent of the custom-house regulation.

Q. Before the time of Leet & Stocking, did you have any special arrangement with those who had the general-order business, as to the charge you should pay?—A. Yes, sir.

Q. With whom did you have the arrangement?—A. With Keyes, Dean & Co. I think they have had charge of that custom-house business—the cartage business—for a long while, eight or ten years.

Q. You did not comprehend the question I intended to put to you. The question was whether before Leet & Stocking had the general-order warehouses you had any special arrangement with their predecessors as to the amount of storage and labor—the charges that you should pay upon your goods sent into general orders?—A. You refer to the store-keepers?

Q. Yes, sir.—A. I understood your question the other way. We had no special arrangement. We were subject to the same charges that all others were. It was always a serious cause of complaint—the charges which were made, and one of the store keepers stated that he could afford to do it for 75 cents per package if he were not subject to the demands which were made upon him.

Q. Who said that?—A. One of the store-keepers.

Q. Give his name?—A. I would rather not.

Q. Not one of the present store-keepers?—A. No sir.

Q. Is the importing business in this port conducted generally by American citizens, or is it mostly in the hands of foreigners?—A. The importing business, I should suppose, was about equally divided. Perhaps there are now more foreigners than Americans—I speak of their nativity, they may be American citizens.

Q. Ought not the honest importers to be protected by the most stringent laws against the violation of the revenue laws by dishonest importers?—A. Well, sir, as long as you have the duties so enormously high as you do now, I do not think you can prevent attempts from time to time to evade them.

Q. That was not the precise question I put to you. My question was, whether it was not due to the honest importer who wished to observe the laws and pay his proper duties to the Government, that the most stringent provisions of law should be made against the dishonest importer?—A. In the abstract, that principle is right, but in practice, it operates very differently.

Q. You would not say that the law was wrong as applied against the dishonest importer, because his books and papers and correspondence were seized as a means of proving fraud upon him, would you?—A. In the ordinary process of the prosecution they could be called for.

Q. But might they not be destroyed if any notice were given to him that the Government would use his books and papers as proofs?—A. That is possible.

By Mr. CASSERLY:

Q. Would not overwhelming presumptions of fraud arise against him in such a case?—A. Not where the fraud could be sustained.

Q. Where the fraud existed?—A. Or where it existed.

By Mr. PRATT:

Q. Now, in this case which occurred under Mr. Smyth's administration, I understand you that somebody had made an affidavit against you that you had undervalued your goods?—A. I understood so.

Q. Did you understand that a warrant was issued on that affidavit?—A. I understood that the visit we had was based upon a warrant.

Q. Didn't you understand that that warrant was issued by the district judge?—A. I didn't. I never did, but it might have been.

Q. By whom did you understand it was issued?—A. I never knew.

Q. Did you never inquire who the affiant was who made the complaint?—A. I didn't, sir.

Q. Did you ascertain his name?—A. No, sir; it was some unknown person, used, I suppose, for the purpose.

Q. I don't understand your answer.—A. You asked me who made the affidavit in this case to warrant the visits which we received.

Q. Some real person must have made the affidavit?—A. It was so represented.

Q. Would there have been any difficulty in finding who the affiant was and what he had sworn to, if you had applied to the judge?—A. It would have been difficult, I think.

Q. Where would have been the difficulty?—A. In ascertaining the whereabouts of the person.

Q. If the warrant was issued by the judge, he would have the affidavit upon which the warrant was based?—A. He should, I believe.

Q. Couldn't you learn from the warrant itself who made the affidavit and what was in the affidavit?—A. Necessarily.

Q. If the judge issued the warrant upon this affidavit you could have seen the original itself in his office if you had applied, couldn't you?—A. Probably. The case didn't go so far.

Q. Was this warrant directed to the marshal or any of his deputies?—A. I never saw it, sir.

Q. Do you know that any deputy of the marshal was present at the time the warrant was executed?—A. I do not.

Q. Some of these eighteen or twenty persons who were present may have been deputies of the marshal?—A. I don't know, sir. I understood they were under the order of the surveyors. I think it was the surveyor.

Q. Was it at your request that your books and papers were not taken away, but, on the contrary, examined at your own place of business?—A. Yes, sir.

Q. That was done for your own accommodation?—A. Yes, sir.

Q. You understood that the officers had the power of seizing your books and papers—those that were designated in the warrant, and taking them away, did you?—A. I understood that that was the case. I know that it has been the practice in many cases.

Q. In case a case of seizure of this character has been instituted without probable cause, and the complainant who made the affidavit and procured the warrants were a man of responsibility, would there be any trouble in holding him liable for damages for any injury you sustained?—A. I presume not, sir.

Q. Do I understand you, then, as objecting to the system or to the particular abuses, as in this case, which may grow out of the system?—A. Well, sir, I complain of the whole, upon the ground that I think a man's place of business is his castle and it should not be invaded unless for the most justifiable reasons.

Q. I know; but are you not aware that any citizen, by making an affidavit that certain articles are stolen, and that he believes they are deposited upon your premises, may obtain a warrant at any time to search your premises?—A. I should want to know something of the character of the person who makes the affidavit—whether his standing and responsibility justified it.

Q. Do you know that that has always been the law, that a search can be made on any person's premises upon the proper affidavit and warrant?—A. I think, sir, it has been abused.

Q. Would you, therefore, repeal the law?—A. If the abuse could not be remedied I would repeal the law.

Q. Then the dishonest man who harbored stolen property upon his premises would have an entire immunity from danger, would he not, if the law were repealed?—A. Well, it might have that operation in some cases.

Q. While it would protect the honest men it would protect the thief or harborer of stolen property, wouldn't it?—A. It might, in some cases; generally the receivers of stolen property are known by their reputation.

Q. Yes, sir; but if the law is repealed, how is the stolen property to be found if there is no authority to visit and search the premises?—A. I don't think that the subject here before us has anything to do with that. I think we are getting upon a subject beyond that which we entered upon, if the Senator will allow me.

Q. That is possible. What I wanted to get at is your opinion upon this system, inaugurated by the law of 1866 and 1867, authorizing, upon a proper affidavit, the judge to issue a warrant for the seizure of the books and papers described upon that affidavit, which are supposed to throw some light upon a fraud committed upon the Government. Would you have that law repealed?—A. Well, we regarded that when the law was enacted it was an improvement upon the old system, where they assumed to enter a man's premises and take possession of his books and papers, without authority, except an assumed authority, and we regarded the enactment of that law as an improvement upon that which preceded.

Q. You spoke something of insolent answers returned by Leet & Co. to your claims for a reduction of charges?—A. Yes, sir.

Q. Will you state when that occurred?—A. I can't, sir; it was in the course of business.

Q. Was that answer returned to you?—A. Not to me personally, but to my clerks.

Q. What was the character of the answer which you claim was insulting?—A. An

insolent way of answering the clerk that they would make no reduction; that they would take nothing else, and that we must pay the bills before the goods were delivered, and such things as that, which were not usual for us to receive. They were apprehensive that if the goods were delivered to us without prepayment of the bill that we should refuse to pay it simply because we remonstrated against the charge.

Q. Is it customary for the keepers of general-order stores to let the goods out of their possession until their charges are paid?—A. It was, prior to Leet & Co.'s time. I can only speak of what was customary with us.

Q. Your complaint was, then, that they required the bills to be paid before the removal of the goods?—A. That was one of them; we found the charges excessive; we complained, and finally we paid the bills, under protest, as I have submitted them to you.

By Mr. CASSERLY:

Q. I really must apologize for detaining you so long, but I desire to ask you this: among certain improvements in the custom-house which you have mentioned, within some years past, do you wish to include the general-order system under Leet & Stocking?—A. By no means; nor the cartage system.

Q. You have been questioned at considerable length as to the supposed analogy between the system of search warrants for stolen goods and the existing system of warrants to seize books and papers. Did you ever hear of a system of search warrants for stolen goods which authorizes the seizing of books and papers that belong to the man himself?—A. Not to my recollection, sir.

Q. Did you ever hear of a system of search warrants for stolen goods in which the officers who were most active were entitled to considerable benefit out of the proceeds of the goods?—A. No, sir.

The following bills were offered in evidence during the witness's testimony:

NEW YORK, May 25, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street, and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Cuba:

N

B H 208-13, six cases, \$1.83 per case \$11 00

We pay the amount of this bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKARD & HUTTON,
Per R. A. P.

P. L. acc't. Invoice not in time.

SHANNON.

(Stamped :) Paid. New York, May 27, 1871.

NEW YORK, September 21, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street, and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Paillera:

B H

A. S., one case \$1 50

Received payment.

RICHMOND.

A. & S. Henry & Co., drs. See entry.

R. A. P.

We pay the amount of this bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKARD & HUTTON,
Per W. S. B.

(Stamped :) Paid. New York, September 21, 1871.

NEW YORK, *February 27, 1871.*

M.

To LEET & Co., Dr.

*United States bonded warehouse, 362, 363, 364 West street, and 157, 159, 161, 163, 165, 167,
Leroy street.*

STORAGE, LABOR, AND CARTAGE.

[H] 2112-16, 2119; [B] H 4682-4, 9 cases \$11 25

A. F. BROOK.

Storage, 50 cents; labor, 50 cents; cartage, 50 cents.

(Duplicate.)

Received payment.

C. W. VAN SAME.

We pay the amount exacted under protest, in order to get possession of the goods.

BENKARD & HUTTON,
Per W. F. S.

NEW YORK, *September 30, 1871.*

M.

To LEET & Co., Dr.

*United States bonded warehouse, 362, 363, 364 West street, and 157, 159, 161, 163, 165, 167,
Leroy street.*

STORAGE, LABOR, AND CARTAGE.

B H 677-79, 3 cases, \$1.50 \$4 50

Saxonia:

B H 244-5, 2 bales, \$1.25 2 50

7 00

ST. LAURENT.

L. K. C., \$4.50; P. G. G., \$2.50. Invoice not in time.

Received payment.

C. W. VAN SAME.

R. A. W.

We pay the amount of this bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKARD & HUTTON,
Per J. H. SHERWOOD.

NEW YORK, *June 26, 1871.*

M.

To LEET & Co., Dr.

*United States bonded warehouse, 362, 363, 364 West street, and 157, 159, 161, 163, 165, 167,
Leroy street.*

STORAGE, LABOR, AND CARTAGE.

Ex. Virginia:

B H 7300-01, one case from P. S.

Storage \$0 50

Labor 50

Cartage, (from P. S.) 1 00

2 00

S. K. C. acc't. Invoice not received.

W. F. S.

Goods delivered three days before the bill was paid.

Received payment.

LEET & CO.,
Per B.

We pay the amount exacted under protest, on the ground of illegality, and only to get possession of the goods.

BENKARD & HUTTON,
Per W. F. S.

NEW YORK, *March 1, 1871.*

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Cuba:

[C] 4919; one case; storage, 60 cents; labor, 60 cents; cartage, 55 cents.....	\$1 75
[L] 227 B, 228 B; two cases	3 00
	<u>4 75</u>

Expense account—bill of lading—steamer China.

W. F. S.

We pay the amount exacted under protest, in order to get possession of the goods.

BENKARD & HUTTON,
Per J. H. SHERWOOD.

(Stamped :) Paid. New York, March 1, 1871.

NEW YORK, *July 20, 1871.*

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street, and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Abyssinia.

BH	
AS 171-5, 5 cases.....	\$8 75
JC 137-138, 2 cases.....	3 25
	<u>12 00</u>

RICHMOND.

Expense account. Invoices not in time.

R. A. P.

We pay the amount of this bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKARD & HUTTON,
Per. R. A. P.

(Stamped :) Paid, New York, July 20, 1871.

NEW YORK, *April 10, 1871.*

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street, and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Abyssinia.

BH	
JDC 191-5, five cases.....	\$8 75
SS	
BH 3702, one case.....	1 75
	<u>10 50</u>

Invoices not in time.

R. A. P.

We pay the amount of the above bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKHARD & HUTTON.

(Stamped :) Paid, New York, April 10, 1871.

NEW YORK, April 12, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Abyssinia.

SS

BH, 3708, one case ; storage 50, labor 50, cartage 75 \$1 75

P. L. Invoice not in time.

W. F. P.

We pay the amount of the above bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKHARD & HUTTON.

P.

(Stamped :) Paid, New York, April 12, 1871.

NEW YORK, April 4, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Abyssinia.

SS

BH 3697, 3701, 3703, 3706-7, 3710, 3714, 3717-19, 3704-5, 3709 ; sixteen cases ;
storage 50, labor 50, cartage 75 \$28 00

We pay the sum of \$28 for the cases herein described, in order to get possession of the goods.

BENKHARD & HUTTON,
Per R. A. PEDRICK.

(Stamped :) Paid, New York, April 5, 1871.

NEW YORK, April 6, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. Abyssinia.

SS

BH 3713, one case \$1 75

We pay \$1.75 for the herein-described case, under protest, in order to get possession of the goods.

BENKHARD & HUTTON,
Per R. A. P.

(Stamped :) Paid, New York, April 6, 1871.

NEW YORK, March 3, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Anglia.

C[G]L 1690-96; 7 cases; storage 50, cartage 50, labor 50..... \$10 50

Expense account. Invoice not in time.

W. F. S.

Received payment.

We pay the amount exacted, under protest, in order to get possession of the goods.

BENKHARD & HUTTON,
Per SHANNON.

(Stamped :) Paid, New York, March 5, 1871.

NEW YORK, July 7, 1871.

M.

To GEO. K. LEET & Co., Dr.

United States bonded warehouse, 371 Washington street and 386, 388 Greenwich street.

STORAGE, LABOR, AND CARTAGE.

Ex. China.

[C]H 5504, one case..... \$1 75

Expense account. Invoice not in time.

W. F. S.

We pay the amount of this bill under protest, on the ground of illegality, and only to get possession of the goods.

BENKHARD & HUTTON,
Per R. A. P.

(Stamped :) Paid, New York, July 7, 1871.

The following letter was received on the 27th of January, and ordered to be appended to Mr. Hutton's testimony, without the inclosures:

"NEW YORK, January 26, 1872.

"SIR: I have the honor to hand you herewith receipted bills from general-order storekeepers, during years 1856 to 1866, in support of the testimony I gave before the committee.

"You will find the charges for storage, labor, and cartage from 50 to 70 cents per case, according to the stores, during four years, when the idea began to prevail that the privilege was a 'big thing,' and the charges began to increase, until in 1863 and 1864 they appear to have reached their maximum, and excited a commotion which resulted in a reduction, but never such as should have been made. The reduced rate was continued, with few exceptions, until the transfer of the whole interest to Mr. Leet, when the fleecing system was commenced, and which continues to this day.

"I have the honor to be, very respectfully, yours,

"B. H. HUTTON.

"Hon. W. A. BUCKINGHAM,

"Senator, Chairman Investigating Committee."

FIFTH AVENUE HOTEL, NEW YORK, January 24, 1872.

Mr. TILLOTSON, having been duly sworn, testified as follows:

By the CHAIRMAN:

Question. You sent a communication to the committee a few days ago in regard to your evidence. We will hear you on this subject now.—Answer. As to the name of the steamer that I mentioned in my testimony, or as it was copied, for I wasn't aware that I made the error until I wrote you that note, I don't know that I made the error, but

it is presumable that I did. I had these papers before me, [indicating,] and it appears that I named the City of Washington, while the memorandum to which I intended to refer states explicitly that it was the City of New York; but there was another memorandum here that has on it the name of the City of Washington, written on it, the bill of the bonded warehouse, which I had for comparison, and I must have made that mistake in naming the City of Washington instead of the City of New York.

Q. You simply wish to correct that error?—A. Yes, sir.

Q. Did the City of New York come in at the same time that you speak of the arrival of the City of Washington?—A. Yes, sir; the date is correct.

By Mr. BAYARD:

Q. You had two bills before you, one of the bonded warehouse and the other of the general order?—A. Yes, sir.

Q. You read the one of the bonded warehouse by mistake?—A. Yes, sir; undoubtedly; at any rate it was a mistake.

By Mr. PRATT:

Q. It was the 23d of October that the cargo was discharged?—A. Yes, sir; that is the date of the general-order bill.

On motion of Mr. Pratt the collector was requested to send to the committee the name of the inspector who discharged the cargo of the steamer City of New York.

The chairman laid before the committee a communication from William E. Dodge, stating that he has been sick and unable to attend to his business, except for a very short time each day, and asked to be excused. He also stated that a Mr. Moore, who has charge of the custom-house business of the firm, would be a more competent witness than himself, and asked that he might be heard in his place.

The committee acceded to the request and Mr. Moore was called to the stand.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

PETER N. MOORE, having been duly sworn, testified as follows:

By Mr. CASSERLY:

Question. How long have you been in the house of Phelps, Dodge & Co., and in what capacity?—Answer. Between twenty-six and twenty-seven years, sir.

Q. In what capacity have you been of late?—A. For the last twenty or twenty-one years I have had the exclusive management of all their importations from all the different parts of the world, placing them in different stores, and also paying the duty. I had a general supervision of all that.

Q. What is the line or lines of business in which the house is engaged?—A. We are importers of metals of all kinds. Our chief business is importing tin plates, Russia iron, tin from India, pig-lead, and articles of that nature.

Q. In its special department of business, your house is the largest, or one of the largest, in the city, isn't it?—A. Yes, sir.

Q. You are familiar with the system of the general-order business, as it now exists and has existed, since Mr. Grinnell's time?—A. Yes, sir.

Q. Are the workings of that system conducive to the interests of the commerce of the port and of the consumer?—A. Very much so, sir.

Q. Very much so?—A. Yes, sir.

Q. Do you understand my question; I ask you whether you consider that system as conducive or beneficial to the commerce of the port and the consumer?—A. No, sir.

Q. State your reasons for that; do you say that on account of the manner in which the general business is conducted, or on account of any particular evil connected with it?—A. The manner in which it is conducted at the present day.

Q. That would involve several considerations?—A. Yes, sir.

Q. One of them is the rates of charge?—A. Yes, sir.

Q. State what you wish to state upon that head, sir.—A. I can state from my personal observation and experience in this matter.

Q. How do their rates compare with the rates under the former system of the general order?—A. Probably three or four times as high to-day as they were formerly.

Q. The rates are made up of three elements, as I understand—the cartage, storage, and labor?—A. Yes, sir.

Q. Were you acquainted with the workings of the general-order system when the steamship companies at Jersey City and Hoboken were allowed to have general-order warehouses?—A. I know they were there, and had received goods under general order and in bond.

Q. How did their charges compare with those of Leet & Stocking?—A. I can't say that.

By Mr. HOWE :

Q. How is that ; you don't know ?—A. I don't know. I would like to make a statement before you question me, and it will enable you to gather some suggestions.

By Mr. CASSERLY :

Q. Certainly, we will be very glad to hear it.—A. The statements that have been given to you by various parties have principally related to the dry-goods business exclusively. But our kind of business is every way different in every way, shape, and manner. For instance, most of our goods, or a large proportion of them, pay a specific duty instead of *ad valorem*, and consequently it pays so much a pound, and those goods are sold to arrive generally—probably three-fourths of the load ; for instance, that we import is sold and delivered from the dock, and we have little, indeed, that goes into the general order, to commence with. In fact, I know but little about it in regard to ourselves, but I know how other people have suffered from goods going into the general-order warehouse. Probably, since Leet & Stocking have had their store, I don't think that we have had, as near as I can recollect, more than two instances that I have had occasion to send for a bill of storage since they have had charge of the store in New York. Our business under general order is very small, and comparatively nothing in comparison with other people who import goods ; consequently I know nothing about the charges of the Jersey City and Hoboken stores. I don't think we ever had goods to go into either of those stores since that business has been done.

Q. Your business is one of that class, in which the margin of profits is quite narrow ?—A. Very close, indeed, and very close unless we sell the goods from the dock. If we have to take them into the store, paying cartage, storage, and labor, it eats up more than the profit ; it is very close indeed.

Q. What is the effect in this business in having a slight increase of charges at this port, such charges, I mean, as fall upon the merchant ?—A. It would drive business away, if it is allowed to continue, as it has now. I will state several instances. Three or four years ago there wasn't a vessel that came into Baltimore. To-day there are two lines running—the one from Bremen by Southampton, and the other one from Liverpool—two distinct lines. The facilities are such there that they induce people to import into Baltimore. In the first place, cars are running down on to each dock in the city. The Baltimore and Ohio Railroad dock is one of the finest in the world, probably, for doing business. The cars run right alongside of the steamers ; the steamers enter their goods right into the cars. The goods are also put into the ships from the cars. No carts are wanted, and no carts can get down to the docks ; they would be of no use possible. You can readily see the advantage they have there over us. The cartage is a great item. There are two lines. They afford all the facilities possible ; there are no obstacles thrown in the way—none of this general-order business ; it is the same in Boston.

Q. The same in Boston as at Baltimore ?—Yes, sir. They haven't got so much convenience in Boston, but they afford all the facilities possible. We had none of the general-order business going on in Boston until very recently. I was told by a gentleman from Baltimore last week that they had caught the distemper in Baltimore, since this investigation has been going on, and he also told me that they had sent for the first time about forty-one loads. I think the ship was the Ohio, arriving last week or the week before, and then they made the arrangement. I understood from this gentleman that the custom-house people were a little divided ; part were in favor of the general order and part were not, but at any rate they had established it and got to going. Where the ships land they have to put the goods on what they call scows or lighters, which are towed across the river, and then they are carted to the general-order store. That has been done within three weeks.

Q. Since this investigation commenced ?—A. Yes, sir. I recommend to the gentlemen Senators that on their way back to Washington, if you have a few hours time, to walk in and investigate the matter, and you can take it in the bud, and you will be able to put a stop to it sooner than if allowed to go on.

Mr. HOWE : Please repeat your statement in regard to Baltimore.

A. I merely suggested that the general-order business just commenced in Baltimore, since this investigation has been going on, within two or three weeks, and it seems to be spreading pretty rapidly. This a gentleman from Baltimore told me last week. He told me that some forty loads had been already carted from the steamer to the general-order store in Baltimore, or lightered across the river by lighters, the same as lightering from Jersey City to New York.

By Mr. CASSERLY :

Q. Across the Patapsco ?—A. Yes, sir ; the steamers land at Locust Point, right opposite the city.

By Mr. PRATT :

Q. What have they done with unclaimed goods heretofore ?—A. They have kept

them in the warehouse—one of the finest in the world—belonging to the Baltimore and Ohio Railroad. I was saying that the inducements that were held out in Baltimore were better in comparison with those here, and the obstacles were not as great. In Baltimore the cars run down on to every pier in the city. You receive and discharge goods, and take goods there. The steamers come in at Locust Point. I am speaking of Baltimore proper. They hold out all the inducements possible to get the business. I must remark that three or four years ago no steamers came to Baltimore at all. This has been done in five years. There are two lines of steamers running to Baltimore now. People find so many obstacles thrown in their way here that they can do it cheaper there. People import goods into Baltimore and transmit them to the West. Cars come down to the steamers, but no drays are wanted there. That is a very great item for heavy goods.

By Mr. CASSERLY :

Q. With a narrow margin for profit?—A. Yes, sir.

By Mr. HOWE :

Q. I understood you to recommend the committee to stop at Baltimore, and call at the general-order stores?—A. I say they have caught the distemper since you have been in session. They recommended that they should have a general order, the same as they do in New York, and already forty loads have been sent out of the steamer Ohio into the general-order store at Baltimore. Previous to that they didn't know what a general-order store was.

Q. Why should we call there and examine the general-order store?—A. You are here to examine into the general-order stores in New York, and I propose that on your return you should examine the stores there, and stop it, if possible, in the bud.

By Mr. CASSERLY :

Q. Have you made any point to keep your goods out of the general-order store since the present system went into operation?—A. Yes, sir; I have studied the plan of Benjamin Franklin—whatever a person has to do every day, he should endeavor to do well. I have had my duties paid the day the steamer arrived, if possible. Entries have been passed before the ships and steamers have arrived, in order to keep the goods out of the jaws of the lion, which have been wide open, on the North River. I knew the effect if I didn't. If I am not on hand with the permit promptly, I know the result. There are stores wide open, and the goods go in there at an enormous expense; and that is the one point I wish to evade, and that is the reason why I attend so promptly to paying my duties—to prevent my goods from going to the general order.

Q. Do you know anything of this general-order business as it now exists, taking all general-order business of the North River?—A. I don't know, only by hearsay. I should say it would be cheap at \$200,000 in gold—very cheap—with gold at 50 per cent.

Q. Repeat your last statement.—A. I think it would be worth \$211,000, gold.

By Mr. HOWE :

Q. And when gold is at a premium, I think you said?—A. Yes, sir; I will add that to it. I don't know, and probably, as the saying is, nobody will ever know, except the person who received the money from the merchants, what disposition the person makes after receiving it.

By Mr. CASSERLY :

Q. Do you know of any offer made to Mr. Grinnell for that business?—A. I do, sir.

Q. State it.—A. A gentleman went into his office with a check for \$50,000, I think—\$49,000 or \$50,000, but that is immaterial. Probably he would have given \$50,000 or more, if it was exacted.

Q. Who was the person?—A. That person was at that time in the Government service, receiving his monthly pay, and in high position in office. He went to Mr. Grinnell, and offered him a check for \$50,000 for the general-order business of the North River. Mr. Grinnell, after a few words of conversation, immediately invited him to leave his office. Then Mr. Grinnell told me himself. Says he, "What do you think? I haven't been in my office but two weeks, when I am tried to be bought up by a gentleman that comes in here with a check for \$50,000." He told everybody that, and I had occasion to inquire.

Q. You heard the same thing from the person who made the offer?—A. The person who offered it told me himself.

Q. He was a person in high office under the Government at that time?—A. Yes, sir; in New York. Before any more questions are asked, I would like to make a few statements, gentlemen, if I am permitted, in regard to the growth of the business of the steamers—what it was twenty-five years ago and what it is to-day. I will be very brief, and, probably, I might enlighten you on the subject. Twenty-five or twenty-six

years ago the Cunard line had about one boat a month leaving New York for Liverpool. In those days packet-ships took all the letters and papers from New York to Liverpool, for which purpose they had a bag hanging up in their office. The ships left on time, like the steamers do now. The bag was there for the reception of books, papers, letters, and packages. They didn't go through the mail at all. They were all taken down to the agent's office, with a bill of exchange, and deposited in the bag. When the ship was ready for sea, the bag was locked up and given in charge of the captain. That is what it was twenty-five years ago. To-day the agent of the Cunard line told me that, if business required it, he was ready to send a steamer out of Liverpool every morning, the year round. There is a growth of one line in one quarter of a century. To-day there are, I think, eleven or twelve lines of steamers coming from Liverpool to New York. During the year past there have been about fifteen steamers landing in New York every week; a large portion of the cargoes of those steamers is sent to the stores of Leet, Stocking & Co. Now, you can readily see in a moment what an immense business it must be for the steamers alone, to say nothing of the ships, brigs, and schooners, from which they also receive the cargo.

Q. You say that fifteen steamers arrive here every week?—A. Twelve to fifteen every week, throughout the last season.

Q. And that a large proportion of the goods brought by the steamers go to the general-order stores of Leet & Stocking?—A. A very large proportion, from the fact that there are goods in the steamer from every city and State in the Union, from California to Maine. It is necessary for them to go into the stores, because months elapse before the owner of the goods gets information. The steamers start from Liverpool and bring the invoice and bill of landing, that may have to go to California and back again before the duty can be paid. In the meantime there must be a place to deposit the goods. Say there is one case. Now, the charge on that case would be severe and fearful; there is nobody here to look after it; the man is in California or any other State. The case comes in and the charges are put on just what they have a mind to, and the agent, or broker, or whoever it is, pays the duty and sends on a statement of the charges and a check is sent back, and that is the end of it. All he knows is only by hearsay. He says that is only one call and we will let it go; it isn't worth bothering about. There are a thousand of just such cases. Our goods are so heavy—tin plates, for instance, and the carmen picked for the lightest kind of goods and the goods that will pay them best for carting. They will take sometimes two or three men to remove one case of tin-plate from the cart. The lightest box we have coming from Liverpool to New York weighs 120 pounds, and from that up to 600 or 700 pounds. You can readily see that the draymen would take all the light goods first, and then if there is nothing else they will take heavy goods. Where the goods don't come to the dock so rapidly as they ought, these general-order stores have their men on the docks looking around to see what is permitted and what is not. Those that are on the dock, and not permitted, they claim as theirs, and rush them into the stores as fast as possible.

Q. What is the extent of your importation at this port?—A. Probably we average between five hundred and six hundred steamers a year.

Q. You average five hundred or six hundred steamers a year?—A. Probably, taking it the year round. Sometimes we have had as many as fifteen or sixteen discharging for our house.

Q. Can you state the average of your shipments by each steamer to this port?—A. We average probably from 100 to 500 tons.

Q. Your shipments range from 100 to 500 tons by a steamer?—A. Yes, sir; our goods go by weight exclusively.

By Mr. STEWART:

Q. You have charge of all the custom-house business of Phelps, Dodge & Co.?—A. Yes, sir.

Q. You say that the business of the general-order stores will amount to from \$200,000 to \$300,000?—A. I should say so, from what I hear and learn—from the enormous business that is doing and still increasing. Every day there are two or three steamers discharging from Europe. Some of the lines are building steamers to-day. Some have five steamers on the stocks. The agent of the Cunard line said he would send a steamer from Liverpool every morning, the year round.

Q. Then the business is immense. You say you wouldn't have any such business, and you want us to go to Baltimore and nip it in the bud?—A. That information has recently come to me from a gentleman from Baltimore.

Q. You are opposed to the general-order system altogether?—A. I had my say; and I think I represent the interest of every merchant in New York, and in every State in the Union. The sooner it is knocked to the four quarters of the globe the better—settle it forever. Then we will devise some other plan that will stop all these controversies and disputes which have been going on so long. Everybody is talking about it, and everybody is dissatisfied with the charges—perfectly outrageous.

Q. Well, we will do away with the general-order system. Then what will you do ; what will you substitute for it?—A. I would let every man have a bonded warehouse of his own, which all would be very glad to do. Three lines have them already, as fine stores as could be possibly built, on the dock, convenient and handy. It would save expense, and be a matter of economy. They would be well conducted and well managed by respectable gentlemen.

Q. That every line should have its own general-order store?—A. Yes, sir; they would be very glad to.

Q. Then you would have a general-order system?—A. Then every line would have a store of its own to send the goods to.

Q. You would let them unload where they come in, and have the unclaimed goods taken care of in some way?—A. Yes, sir.

Q. Your plan is to have it done by the steamship company?—A. Yes, sir; and have the grade of prices made, so that it will be a self-paying institution, and that is all. The charges should be made moderate.

Q. Who would have to regulate the prices?—A. I think the Chamber of Commerce, or you might get all the storage-men in New York together, and let them say what they should be.

Q. What is the difficulty now in regulating the prices?—A. In storing goods. I have stored them in every warehouse in New York, and I know them all.

Q. What is the reason that the Chamber of Commerce don't fix the prices now?—A. Probably they haven't been asked.

Q. This is a matter of general complaint, and it seems that some of the merchants would have regulated them.—A. Well, it ought to be. Every importer in New York should call a meeting and talk this over, and submit it to the Chamber of Commerce and let them devise a plan and regulate how it shall be done, and what the price shall be. Now, the Chamber of Commerce might not be able to fix the prices; they would say, How shall we get at it? We will call upon the warehouse men of New York who have been in that business for years, and let them give a statement, and we will confirm it.

Q. That difficulty would be the same, no matter how the general order is fixed. You wouldn't arrive at your reform unless you had the prices reduced.—A. That is what makes all the trouble; the price per package, bundle, or ton, whatever the case may be. Our kind of goods are taken by the ton; that is the way they charge us lately.

Q. Then your objection to the present system is the excessive charges?—A. Undoubtedly and certainly.

Q. You attend to all the various departments of the custom-house business, do you?—A. Yes, sir.

Q. Do you know anything about this reduction for damages—how it is conducted?—A. It is a bureau by itself, controlled by a head, and he has several men under him.

Q. Your house ships iron, mostly, doesn't it?—A. No, sir; we have a great deal of iron, but we import a great deal of tin.

Q. Well, iron, tin, and different metals?—A. Yes, sir.

Q. There isn't much damage on your kind of goods, is there?—A. Well, there is on certain kinds of iron. There is a certain kind of iron, no matter how much it is damaged, we get no reclamation whatever from the Government; that is English sheet-iron. They allow nothing on that, but on Russia iron they allow us for damage.

Q. How is Russia iron damaged? Do they allow for damage by rust?—A. That is damaged by coming in contact with salt-water and damp air.

Q. Do they allow damages for rust on any iron?—A. No matter whether it is damaged or otherwise, if it is damaged on the voyage of importation they allow reclamation.

Q. Has your house had any reclamation for damage to iron?—A. Yes, sir—Russia iron, but nothing on English iron.

Q. Has much damage been had on a single invoice of Russia iron?—A. We have had no reclamation on English sheet-iron.

Q. But on Russia iron?—A. They allow us on that.

Q. How much have you had allowed in one year on Russia iron?—A. As high as 50 per cent. The duty is 3 cents a pound, and 50 per cent. from the duty, and sometimes it is 5 per cent., and sometimes 10 per cent. we get. I spoke of the highest rate.

Q. Then Russia iron generally comes damaged?—A. Yes, sir; probably there is nothing that crosses the ocean, even to the finest piece of silk, that will damage so readily as Russia iron, notwithstanding the protection it has. The dampness of the atmosphere, the sweat of the hold, will damage it, and, of course, when it comes in contact with salt-water, immersed as it sometimes is, then, of course, it is completely ruined.

Q. Is there any drawback for damage on railroad iron?—A. No, sir; it is never hurt; not that I ever heard of.

Q. Have you had anything to do with the appraiser's department?—A. Yes, sir.

Q. Well, how is that conducted?—A. Nothing to complain of, whatever. My business

in the custom-house has been all through of the very best character, and I have had no cause to complain.

Q. The only complaint you have to make of the custom-house management is in the general-order stores?—A. Yes, sir.

Q. The other departments are managed well enough?—A. Yes, sir; only they could be improved very much.

Q. How do they compare now with former years?—A. The appraiser's store, or the custom-house?

Q. The appraiser's department and the custom-house; I am not speaking of the general-order?—A. The appraiser's department is conducted—I have no occasion to find fault in any way, shape, or manner—it is conducted, probably, as well as it could be done by any body of men. The collector has no supervision or charge whatever over the appraiser's department; he has nothing to do with it.

Q. I am speaking of the custom-house?—A. In regard to the custom-house, probably you are not aware, yet you may be from statistics, what the duties and moneys received week by week are. Last week, on Tuesday, there was \$900,000 taken for duties, and it averages all through the week between \$500,000 and \$600,000. There were gentlemen there with their money in their pocket waiting to pay the duty, who had to go home in consequence of the crowd being so large that they couldn't get through. They shut down the gate exactly at 3 o'clock; before the clock ceases striking three the doors are shut and you can't pay any more duty after that.

Q. At what time do they open in the morning?—A. Ten o'clock; and close at three. The United States law says they shall open at 9 o'clock and close at 3. I have told them this, and a great many gentlemen agree with me, that there are to-day more entries shut out—people with money in their pockets to pay the duty—than they had twenty-five years ago. I have been down myself at 2 o'clock and gone back, because the crowd was so great. I came down the next morning.

Q. These are the business hours. Do the clerks work during business hours very faithfully?—A. Very faithfully and very hard.

Q. What is the trouble? Not enough clerks?—A. The force is not adequate; the business has increased so.

Q. You have no fault to find with the officers?—A. Not the least.

Q. So far as you know they tried to do their duty? How does the management of the custom-house, so far as you know, compare with what it was in former years? How long have you been connected with that business?—A. I have been there from one to three times a day for twenty years.

Q. How is the general management now compared with that of former years?—A. It is well managed, only, as I say, the business is increasing so that there isn't force enough. People go there with money in their pocket and have to go back because they can't pay the duty. While we are on that subject, I would here remark, that to-day, in that large building, there isn't a space four feet square to put a solitary desk in. It is jammed full, and all the way they can get one in is by cramming and jamming them close together.

Q. There isn't room to do the business?—A. Not as the business is now increasing. Probably the gentlemen don't consider it at all, but it is perfectly wonderful. Work is not done for want of clerks to do the work. I have talked to the collector several times about it, and he will say, "I have written to the Secretary about it and can get no redress; we must get along as cheaply as we can, and do as much as we can with as few men as we can;" but the Government are the losers.

By the CHAIRMAN:

Q. We are going to retrench, and how can we retrench if we don't reduce the force?—A. The business is increasing.

Q. How can we accomplish the object of our inquiry by increasing the force in the custom-house?—A. The collector must answer that. The collector says to me, "Why don't you write to Washington?" Says I, "I think that would be taking the business out of your hands; you are put here to collect the revenue, and it is your place to report to the Secretary, 'I can't collect the revenue with the force I have.' Then if you want a hundred or a thousand names to back your statement, why, I shall be happy to get them."

By Mr. STEWART:

Q. Have you talked to merchants, generally, about this delay and the inconvenience of it?—A. Yes, sir; they all know it—every one.

Q. I mean the delay, where there is nobody charged with fault, but the insufficiency of force; has that been talked over; did they understand it?—A. Yes, sir; everybody has talked that over; all the merchants; they could get no redress.

Q. That so many men are there to pay their money and have to go away?—A. Yes, sir; I have had to go away myself.

Q. Then their goods are apt to go into the general-order store if they don't get their

permits?—A. Yes, sir; very liable. Gentlemen come down and wait half a day, and business may be such that they can't come to-morrow; they shut down and they are obliged to come the next day or send somebody. No longer ago than last Wednesday, when there was \$900,000 between ten and three, I saw several gentlemen who were in the line, and they had to go home. I always make it a practice to pay my duties between ten and twelve in the forenoon, to escape the crowd.

Q. If you were to lengthen the hours of labor for the clerks, would they have time to make up their books and keep their business straight; could they stand it?—A. We could dispatch more business, and pay more duties, if the hours were longer—two hours a day.

Q. What effect would it have upon the clerks?—A. In the cashier's department their statement is obliged to be made up the same day that they receive the duties and sent to Washington. The very same day their statement must go on to Washington—the same afternoon. Now, when 3 o'clock comes, there will be several hundred in the cashier's office, and the door is closed, and nobody can get in; the policemen stands at the door. Each pays his duty, and he goes out at another door, which is guarded by a policeman, the crowd is so great; consequently the cashier don't get through until very late, oftentimes till 3 or 4 or 5 o'clock. Their statements must be made up that night to go by that mail to Washington. Supposing to-day they have five cashiers who receive money, the crowd becomes so great, and the business driving; suppose they had two extra hands to come in and help them an hour or two, to help write out, it would make a wonderful difference. We could pay our duties, the cashiers could get their accounts made up before 5 or 6 o'clock, and it would be better all around for everybody. The force is inadequate to the business that is growing upon the Government.

Q. Is the force sufficient in the appraiser's department?—A. I hear no complaint there. The duties must be paid instantly, or else your goods must be taken charge of by somebody else. It is important to get your goods rapidly through the public store. Probably to-day that store isn't large enough for the business; it is very much cramped, and it isn't a proper store.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

ALLEN N. LEET, Jr., being recalled, testified as follows:

By Mr. BAYARD:

Question. It has been suggested that you waited here, desiring to come before the committee to make some explanation in regard to a communication you made, as a reporter, to Mr. Whitelaw Reid, concerning Mr. Leet.—Answer. Yes, sir. In the first place, there has been a denial and an assertion made in connection with myself; and, in order to make that clear, I will give you the whole particulars. I am not intimate with Colonel Leet, but have had conversations with him at three different times during the past few years, although I have seen him more times. The first time I saw him was in 1860 or 1861. I can't tell exactly which, but I can ascertain by reference in Philadelphia. I was attending a convention of a college secret society held in that place, and while stopping at the Continental Hotel I had a card sent up to my room with the name of G. K. Leet on it, desiring an interview. I met the gentleman, by appointment, and he said that he understood, after asking my name, and who my father was, &c., that we were related. I told him that I didn't doubt it, as all the Leets in this country that I know of were related, their being but one importation—not, as with some families, many branches. He then asked me into his room, and showed me a book which he had of all the names of the Leets in this country, and proved to me that his father and mine were cousins, and thenceforth called me cousin. Some little conversation occurred, and he asked my age, and I his, and it was found that he was four or five years my elder. In a laughing way, he said, "I guess I will have to call you nephew." This is relevant, as you will see in a moment. He spoke of having received a copy of the family arms; he hadn't it with him, but he said he would send it to me: and after I returned to New York I received a letter from him—four or five days after I got back—in which he commenced, "My new-found nephew," or something of that kind, referring to that circumstance, and inclosing a copy of the family arms. I handed it to father and mother, but he nor I not taking interest in such matters, the paper was lost and the letter was lost. That was the first time I ever saw him.

Q. Was it sent to you by mail?—A. Yes, sir; my father and mother will both testify to the contents of that letter, and to what was inclosed. I never saw him again until, I think, it was in May, June, or July, 1870. I was at that time engaged in business in Newark, New Jersey. A brother-in-law of mine who had served in the Army, and who was an excellent book-keeper, and had been performing clerical duties, and desired to obtain a situation, and several times spoke to me about seeing Colonel Leet. I finally went to the warehouse on Greenwich street, without finding him, but finally I did find him. I referred to the previous meeting, several years ago in Philadelphia,

to which he assented, and then I told him my business. I asked him whether there was an opening. He said there wasn't. That was the second meeting.

By Mr. PRATT:

Q. You asked him what?—A. Whether there was an opening for this gentleman who had been in the Army, performing clerical duties like he had, and he was, in fact, my brother-in-law. I think my brother-in-law went with me to the store. I don't know whether he went in or not, but I think he remained on the stoop while I went in. The third time was about five months ago, I think. I lived in Greenwich street, and frequently passed his store. I boarded in Greenwich street. I saw him standing on the steps, and I approached him and asked him whether there was any vacancy. My brother-in-law since that time had been in a place, but was now out of employment, because the concern he was with had dissolved. He said, "No." That was immediately subsequent to a series of investigations, which I had been making in my official capacity, into some custom-house frauds—the statement of some merchants in regard to some packages—the statement of Mr. Shultz, of the firm of Clark & Shultz. Speaking about his business, I asked him if he was cognizant of these frauds, and I named some of them. He said, "Yes," but that he didn't see that they were any more than there had been in the previous years. He didn't refer particularly to the general-order business in his statement, nor I, but simply irregularities in the custom-house here. He said that they didn't, to his knowledge, or so far as he knew—that the irregularities were inseparable in the transaction of large business of the merchants, and especially those who wanted to defraud the Government, and that they couldn't be helped. I then said to him that I thought it was a shame; that these officials ought to be held responsible in the same way that the British Government hold their officers responsible, and that any malfeasance in office should be visited by punishment, the same as high treason, and so forth. I made some remarks like that. He then referred to the matter I came on. I asked whether there was an opening for this gentleman, and he said no; he said there wouldn't be, either, for he thought very little of a person who was engaged in the detective business, and such small-potato business as I had been, and he didn't want anything to do with any such person. Shortly afterward I left him. I have seen him once or twice since that. I met him on the street shortly after. I nodded to him, but he didn't return it. I have met him here in the Fifth Avenue Hotel several times, and have seen him in this room and on the cars. I saw him last night after the committee adjourned. I saw him this morning sitting with Colonel Bliss and Colonel Stocking. I saw him when he went in and came out of the room, but he doesn't know me. Now, in regard to the statement of Mr. Reid. The way I came to make this to him at all, in any connection whatever, was this: I heard our city editor ask the question one day whether Leet & Co. was still in charge of the general-order business. I spoke up and said they were; it was only a few days before that I had a conversation with Colonel Leet at their store. I stated further that I had spoken to him in regard to the custom-house abuses, and that he remarked that he didn't see that they were any greater now than they ever had been. I didn't state that Colonel Leet had told me that he had made a great deal of money out of the business. That seems to have got distorted a little in transmission from one person to another, but I did state that I knew that he had made a great deal of money out of the business, because I had been informed so; that is the reason. I didn't state the reason to Mr. Shanks, the city editor. I stated the fact that I knew it, and I do know it, and did know it, because I had been informed so by many persons conversant with the business, &c. That is all I know about Colonel Leet, or in reference to this matter of veracity, and that explains all I have had to do with this testimony of Mr. Reid's. Mr. Shanks occupies an official position intermediate between Mr. Reid and myself, and this statement of mine was communicated in the course of conversation with Mr. Reid, but somehow it got a little varied from what I made it.

Q. You spoke of official position; explain what you mean by that.—A. The newspaper offices are divided into departments—the city department and the editorial department proper. I am in the city department; I report to Mr. Shanks, who is our head.

Q. When you speak of your official position, you mean your position connected with the New York Tribune?—A. Yes, sir.

Q. There is an article in the New York Tribune of yesterday about exactions of Leet & Co.; do you know anything about it?—A. I wrote that, sir.

Q. There are facts stated there, sir, in regard to their charges?—A. Yes, sir.

Q. That is to say, charges in excess of other bonded warehouses. Can you state in regard to those charges, and how you found them?—A. This makes a statement in regard to Phelps, Dodge & Co.; you have had that verified by the statement of the gentleman who has just left the stand. My authority for the statement in regard to certain carmen having the exclusive privilege of carting the goods to the general-order store is Mr. E. C. Johnson, bonded warehouse keeper at 6 and 8 Bridge street, to whom these carmen have frequently made this admission or statement. I don't know that it is an admission; that has to be proved.

Q. If you have examined these facts, and that article is the result, it would be following the suggestion made in the case of another witness to ask you whether those facts had been verified by you, and whether you confirm now the statements contained in it, the entire article, for I propose to add this to your testimony.—A. Yes, sir; the entire article.

Q. What about the entire article?—A. I obtained proof, which I think would stand in court, that all the statements made here are true. I got such evidence as I think will be legal evidence to substantiate these statements. Then, in regard to Leet & Co.'s charges, I saw their bills held by these parties and made transcripts. In regard to the warehouse charges, I had warehouse-men there who put their charges on according to the regular schedule.

Q. Do you mean to say that these statements are true, or that you have been satisfied or convinced of their truth by what you regard as proper evidence?—A. I say they are true.

Q. That is enough said.

Mr. CASSERLY. The statement of Mr. Squires was admitted in evidence, although he made no such examination of the facts as this witness seems to have made.

The following is the article referred to above:

“LEET & COMPANY'S EXACTIONS.

“A STARTLING STORY AND MORE WITNESSES FOR THE INVESTIGATING COMMITTEE—A FEW SPECIMEN BILLS FROM OUR SWINDLED MERCHANTS' BOOKS.

“New revelations have come to light with respect to the workings of the general order business and the operations of custom-house officials. Many merchants who have felt aggrieved at the exorbitant charges of Leet & Co. have, on many occasions, complained to Collector Murphy and his deputy collector, and endeavored to obtain a reduction of the amounts charged, but they have been told to call again; been put off from time to time until, weary with postponements, they have been compelled to endure the exactions of Leet & Co. These exactions have increased to such an extent that some importers have been compelled to import their merchandise through other ports. The well-known house of Phelps, Dodge & Co. have for some time past entered their goods at the port of Philadelphia, Boston, and even Baltimore, finding it cheaper to do so, and transport them hither by rail, than to bring them in at this port direct and pay the custom-house charges, expenses, and cartages. As certain carmen have had the exclusive privilege of carting goods to the general-order store, merchants have been obliged to pay from 15 to 30 per cent. of the amounts which they charged to Leet & Co. in order to retain this privilege, and where goods have been taken to bonded warehouses it has been customary for the inspectors to hurry them away by the custom-house carmen before the merchants' carts arrived, or else to tell the merchants' carmen to call again, and then to send the merchandise to the warehouses by the custom-house carmen; for this service many of the inspectors have received large percentages, and before the present investigation began they did not hesitate to make the avowal openly; this can be proved by bonded-warehouse keepers, to whom the carmen and inspectors have frequently spoken on the subject.

“Messrs. Hodges & Fennotti are importers, doing business at No. 28 South William street, and during the past two years have had large quantities of goods pass into the general-order store. We have selected at random a few bills out of a large number, which they have paid to Leet & Co., and compared the charges with those made by regular bonded-warehouse keepers:

	Leet & Co.'s charges.	Regular ware- house charges.
February 14, 1871, 15 cases.....	\$18 75	\$10 00
February 24, 1871, 8 cases.....	8 00	4 20
March 24, 1871, 5 cases.....	7 50	3 50
October 18, 1871, 2 bales.....	4 50	1 40
December 22, 1871, 2 bales.....	2 50	1 40
December 28, 1871, 7 cases.....	10 50	2 10
January 3, 1872, 10 cases.....	10 00	3 00
Total.....	61 75	25 60

or an average increase of Leet & Co.'s charges on the warehouse charges of 250 per cent.

"On the 5th of January last Messrs. F. Cousinery & Co., No. 31 South William street, importers, paid Leet & Co. for charges on fifteen bales \$21.75, whereas the regular charges are but \$9. This is the latest case of general-order exactions which this firm has been compelled to undergo. They have, in common with others, been unable to obtain redress in many previous cases where enormous charges have been made for the storage of goods.

"Paddock & Fowler, importers, at No. 87 Beaver street, have suffered on many occasions from Leet's exactions. During the month of November last a vessel arrived at pier No. 46 with merchandise consigned to them. The cargo was taken to Leet & Co.'s store, which is but a short distance from the pier at which the goods were landed. Leet & Co.'s charges were as follows :

36 cases.....	\$36 00
32 kegs	9 60
Total	<u>45 60</u>

The prices as charged by E. C. Johnson & Co. and other warehousemen would have been, (cartage to the lower part of the city included :)

36 cases.....	\$17 60
32 kegs	2 30
Total	<u>19 90</u>

showing a difference of \$25.70 on a comparatively small invoice. Paddock & Fowler demurred at the excessive charge, but, of course, had to pay the amount in order to get their goods. They called on the collector and his deputy, but could get no drawback, and were put off from day to day for six weeks, and were finally referred to Leet & Co., with instructions to demand restitution from them, and inform them that the deputy collector ordered a reduction. When they applied to the general-order men, as directed, they were met with ridicule and insult, and told that the custom-house authorities had no control over them, and that they were responsible only to the authorities at Washington; that it was not their practice to make any reduction, and that they charged what they thought proper. No reduction has been made, and the importers have given up all hope of ever obtaining any.

"Among the other importers who have suffered are Wiley, Wicks & Wing, No. 284 Washington street; George Miln, No. 49 Beaver street; A. L. Sayre, No. 212 Washington street; and Harbeck & Co., No. 84 Beaver street.

"It is highly important that it should be known that Charles Squires, who testified before the investigating committee that Leet & Co.'s charges were not exorbitant, lets the store at Leroy and West streets to Leet & Stocking. Warehousemen not thus interested are willing to testify that the 75 cents' charge which Squires stated was reasonable is nearly four times what they charge—their price varying from 15 to 20 cents for the same goods."

By Mr. HOWE :

Q. I wish you would fix the date of that first interview with Colonel Leet, in Philadelphia?—A. Well, sir, I can't tell exactly the month. It was in the winter of 1860 and 1861, I think; I am not sure, either, in regard to whether it was 1859 and 1860, or 1860 and 1861, but I could tell in many ways. I was attending a convention, as I stated, of the Delta Fraternity, which is a college secret society, which was held in that year in Philadelphia. I can find out from General Woodford, who was there at the time, and who has the dates of all the conventions. The year was in 1859-'60 or 1860-'61. It was the winter of either one of those years.

Q. Of what college are you a graduate?—A. I am not a graduate; I left in the junior year, to go away. I was in the Williams College.

Q. Of what society was this a convention?—A. The Delta.

Q. Where was your home at that time?—A. New York City.

Q. What was your business at that time?—A. I was in college; I had no business then.

Q. You were then in college?—A. That was in vacation of college. These conventions are always held during vacations.

Q. Did you learn where Colonel Leet came from at that time?—A. Not from what particular part. He stated that he was a Pennsylvanian by birth, but resided in Illinois.

Q. Did he tell you what business he was in?—A. I have been thinking that matter over, and that didn't impress itself on my mind sufficiently for me to state it as testimony.

I have an impression, however, that he stated he was connected with railroads, but I am not sure; I am not certain in regard to that.

Q. Did he tell you he was living in Illinois?—A. Yes, sir; I understood that he was living in Illinois.

Q. You didn't understand in what part of Illinois?—A. I didn't fix that in my mind; I merely had an idea of Illinois as being a Western State, and that he had emigrated at an early date, or his father had, from Pennsylvania. The family originally all came from Guilford, Connecticut. They are all in some way or other connected.

Q. How long were you at that convention?—A. I think it lasted three or four days.

Q. Did you see Colonel Leet more than once during those days?—A. I did sir; I saw him two or three times; I wasn't with him very much, because my attention was occupied with the other gentlemen—the gentlemen that I was associated with belonging to the society.

Q. When did you leave college?—A. I left in the year 1861; I would have graduated in 1862.

Q. When did you enter college?—A. I entered two colleges. Do you mean when did I enter Williams College? I entered in the commencement of the sophomore year; that would have been two years before.

Q. That would have been when?—A. It would have been in the early fall of 1859.

Q. You left college at the close of the junior year?—A. No, sir, not at the close of the year; that would have been in July, 1861; I think I left in February, 1861; I am not certain in regard to that; it was some time after the commencement of the year; it was about the middle, I should think.

Q. Was Mr. Leet in attendance at that convention?—A. No, sir; not at all. I had never seen him before. G. K. Leet's card was sent up to my room as a gentleman who desired an interview. It seems he took a great interest in the collection of the genealogy of the members of the family in this country.

Q. You say he wasn't in attendance upon the convention?—A. No, sir; not at all.

Q. Do you understand upon what business he was there?—A. I understood he was staying in Philadelphia for a short season—a few days.

Q. Looking up his family or some other business?—A. I didn't inquire into his business; I don't know what his business was; I didn't ask him.

Q. Upon an examination of the question it was ascertained that your father and his father were cousins?—A. He stated so; I didn't know. He had a book in which he had all from Governor Leet, who was the first one on these shores, down to the present generation—all the fathers, and sons, and branches, and so forth, down to the present day. I never took any interest in that matter, but I knew I had a great many cousins who moved West. There was a great exodus about forty years ago, in Guilford, Connecticut, to the West, New York and other places, consequently I have many relatives whom I have never seen, and who they are I don't know. I have a relative in Brooklyn whom I have never seen yet, and yet I live in Brooklyn myself.

Q. To what era did this ancestor of yours, Governor Leet, belong?—A. Governor Leet was appointed colonial governor, just before the Revolution, of what was called the Colony of New Haven.

Q. He was the first of the family in this country?—A. Yes, sir.

Q. How many children did he leave?—A. Well, sir, I am not acquainted with the genealogy at all. It is a thing in which I take no interest whatever.

Q. How did you ascertain that you were descendants of Governor Leet?—A. That is a fact that has always been understood by every member of the family, and I know it. My father has stated it, and he has also said to me, frequently, that he was the only one that came to this country, and that all the Leets here were descendants from him.

Q. Did Colonel Leet tell you who his father was?—A. Well, I think he told me who his father was—what his name was. The Leets are few and far between, and scattered over the country, but when they meet each other, as a rule, they are apt to become acquainted, which is different from a great many other families.

Q. Owing to the scarcity of the family?—A. No, sir; but owing to the fact that every one whose name is Leet belongs to the one family. It isn't like Jones or Brown or Smith, which represent many different stocks. I have not infrequently been traveling on the cars or stopping at a hotel, and a gentleman will see my name, Leet, on the books, and almost invariably we will become acquainted on sight.

Q. The next time you saw Colonel Leet was in New Jersey?—A. No, sir; in New York; I resided in Newark, New Jersey; I was in business there.

Q. That was in 1870?—A. Yes, sir.

Q. What business were you in?—A. I was in the petroleum refining oil business, which I have been in up to within six months ago—ever since I left college.

Q. How did you happen to call on Colonel Leet then?—A. My brother-in-law had been in the Army, and had been performing satisfactory clerical duties, the same as Colonel Leet himself has, and of course had kept Colonel Leet in view, what he was doing and where he had been, and also knew he had charge of the general-order stores

in New York. My brother-in law asked me several times to see him, and see if there wasn't an opening for him. He was an efficient book-keeper and a fine penman. I went there several times and the colonel wasn't in. Finally I saw him there. I referred to the interview that we had had at Philadelphia, and remarked that a great many changes had occurred in that space of time; that he must have had varied experience in the Army, and so forth—some such introductory remarks as that. I then mentioned my business, and asked him whether there was an opening. He said not; but told me to call again. That was some time in May, June, or July, 1870.

Q. Did he recognize the fact of having met you in Philadelphia?—A. I concluded from his conversation, and the manner in which he assented to what I said, that he did. I took it for granted that he did, and have always thought that he did. He said, "Yes; I recollect," or something to that effect, when speaking of it.

Q. The next time you saw him was when?—A. I was passing his store; I boarded at that time on Greenwich street; I saw him standing on the stoop of 386 or 368, I don't know which it is, near Beach street, and I spoke to him and renewed the conversation, and asked him whether there was an opening there yet, and called to his mind that I had called some time previously. He said he recollected it, but there was no opening then.

Q. When was that?—A. That was four or five months ago. I fix that date because it was too or three days after I had been making this investigation.

Q. In what building was it that you accosted him; at his private residence?—A. No, sir; at his store, in Greenwich street, 386 or 368—as you go down town, the first opening is 386 or 368, and the offices are just beyond.

Q. What time of the day was it when you passed Mr. Leet's store and saw him at his store?—A. I should judge it was about 1 o'clock—between one and two; I can't fix the hour correctly.

Q. One or two o'clock in the afternoon?—A. I should say so; I am not positive in regard to that. The fact is more prominent than the time I met him; therefore, I don't recollect that.

Q. You have been employed on the staff of the Tribune, and were there?—A. Yes, sir.

Q. How long had you been employed there?—A. I had been there about a month, I think—not longer than that, because that was among my first duties—to investigate these matters.

Q. He was standing outside his store, and you greeted him?—A. Yes, sir.

Q. You then applied to him again for a situation?—A. I spoke to him, not for myself, but for my brother-in-law. I asked him whether there was any vacancy yet.

Q. What time in the year 1870 was it that you came in to see him?—A. Well, sir, I can't particularize that, but along in May, June, or July. I had been speaking to him on this subject, and had gone there two or three times. I can't state what month it was, but it was during that period and time.

Q. Somewhere in May, June, or July?—A. Yes, sir; during that period of time.

Q. From that time you didn't renew the application until within four or five months ago?—A. Because I never saw him afterward. I came across him as I was passing, accidentally.

Q. Where had your brother-in-law been all the time?—A. He had been keeping books for the excise department, in New York, but their business had dropped off and he left.

Q. Left when?—A. I don't recollect, now, exactly when. He was afterward connected as clerk at the Newark depot, at Market street, of the New Jersey Railroad, and that he left only a month or two before the time I last accosted Colonel Leet.

Q. Be a little more distinct. When you first called on Colonel Leet and applied for the position for your brother-in-law, in what business was your brother-in-law engaged?—A. At that time he wasn't engaged in any.

Q. Not in any business?—A. Not at that time; no, sir.

Q. He had left the excise?—A. Yes, sir; I think so, or else at that time; it was before he went into the excise. I don't recollect; but he can tell. I know he was out of business; that I know.

Q. Well, had he been in business?—A. Yes, sir.

Q. What business had he been in?—A. He had been acting as book-keeper.

Q. What business had he been in then—before that time?—A. Acting as book-keeper in some business ever since he left the Army.

Q. What business had he last been in before that time?—A. I don't recollect, sir; he will know, of course.

Q. Of course; but I want to know what you know about him?—A. I don't remember what business he had been in before that time—in what place. I know what he had been doing; but who he had been working for and at what particular place, I don't know.

Q. You do remember that at that time he was out of business?—A. Certainly.

Q. Do you know how long he continued out of business?—A. For some time; because he was in my office from day to day sitting there, and that is the reason I recollect it.

Q. For how long?—A. You mean after the time I called on Colonel Leet, in 1870?

Q. Yes, sir.—A. Well, four or five months.

Q. He continued out of business; when he first got into business what was it?—A. The excise department, I think; but I am not sure. I don't know as regards the particulars, as to where he was at specific times. I know he has been at different times in certain kinds of business; but the dates I don't know, because that didn't interest me particularly as to what he was doing, but simply whether he was doing anything or not.

Q. Do you know he had got into business at all?—A. Yes, sir; I know that at different times he had been in business.

Q. Since the time you first called on Colonel Leet, in 1870, he has been at different times in different business?—A. Yes, sir; either once or twice—either in one or two kinds of business.

Q. Now, sir; what was one of those different kinds of business?—A. I can't remember what the business was.

Q. You know he was in business once or twice?—A. Yes, sir; I can remember one business he was in.

Q. I asked you for that.—A. One was attending as clerk in the freight depot, the Market-street depot, in Newark, New Jersey.

Q. Clerk in the freight depot of what railway?—A. The New Jersey Railway, at the Market-street depot. You know there are three depots in Newark.

Q. I didn't know it, but I guess it is so.—A. Yes, sir; there are.

Q. When was he in that service?—A. At what particular time?

Q. Just as near as you can get at it.—A. Well, sir, I wouldn't attempt to say. Let me see if I can't fix that; he was there, sir, in the months of July and August—no, in the month of July, to my certain knowledge, in 1871.

Q. During the whole month?—A. He was there I know in that month, because I know what occurred on a certain day in that month, and it had connection to his being there; because he and I left there at a certain time to go to a certain place. I know, therefore, at a certain time in the month he was attending to that duty, and receiving pay in that capacity at that place.

Q. Do you know under whom he was employed, or by whom?—A. A gentleman by the name of Gaddis, and who has charge of that department, and who hires the men and discharges them, &c.

Q. Do you know what pay he was receiving?—A. I heard; I am under the impression that it was from \$80 to \$100 a month. They pay by the month.

Q. Are you able to say how long he continued in that service?—A. No, sir; because I didn't see him every day; I only saw him occasionally.

Q. Had you at that time left Newark?—A. I left Newark shortly after that; yes.

Q. What month did you leave Newark?—A. In the latter part of July.

Q. But at this time you were living in Newark?—A. Yes; in Irvington; Irvington bears the same relation to Newark as Morrisiana, or any of those suburban villages do to New York.

Q. From the summer of 1870 up to four or five months ago, you say you hadn't renewed this application to Colonel Leet for employment for your brother-in-law?—A. No, sir.

Q. And yet, in all that time, your brother-in-law had been out of employment?—A. I don't know that he had. I have no evidence of it. I only saw him occasionally. It was a short time before that; I told you, I believe, that when I last left Newark or Irvington he had a position as clerk in the freight-office.

Q. Your brother-in-law had?—A. Yes; but how long he remained there I don't know, because I went one way and he stayed there. I left.

Q. Did you know, Mr. Leet, when you made this application to Colonel Leet last, that your brother-in-law was not then in the employ of the railway company?—A. Yes.

Q. How did you know that?—A. Because I had received a letter from him to that effect; that he was out of employment, and wanted to know if I could not assist him. He then lived in Fishkill. He lives there now.

Q. That is on the North river?—A. No, sir; there are two Fishkills; one is on the Hudson, and Fishkill proper is five or six miles in. That is where he lives.

Q. That is the landing?—A. Yes, sir.

Q. When did he move up there?—A. His parents moved there, I think, in September; but I don't know when he went. When they moved there I understood he had this place in the depot.

Q. When his parents moved there?—A. Yes.

Q. That was in September?—A. I think it was; I am not sure.

Q. When did he write you this letter?—A. This letter, I think, was written about the 1st of October, or latter part of September. It was shortly after that.

Q. Then he told you he was out of business?—A. Yes.

Q. Do you think that letter is in existence?—A. I have no doubt but what it is. I think I have it.

Q. Will you produce it?—A. I will.

Q. He asked you to help him into business?—A. Yes.

Q. Did he mention any kind of business?—A. He asked me whether I could not use some influence to get him a place; that is all, in general terms.

Q. How long was it after that that you casually met Colonel Leet at his store-house?—A. It may have been a week or two. I passed his store-house nearly every day. I boarded in Greenwich street then, and on this occasion I met him there, and as I met him this case naturally occurred to my mind.

Q. State how you opened negotiations with Colonel Leet.—A. On this last occasion?

Q. Yes.—A. I spoke to him casually, and asked him whether he had any openings yet, and mentioned the fact that I had called before; and he seemed to recollect it and said, "No, there was no opening for a young man." From some conversation I turned on to custom-house matters. Of course I knew he was in the general-order business, and I said something to him about whether that came under custom-house matters. I then told him that I had been investigating custom-house matters, and many merchants felt grieved at some irregularities in the custom-house, &c., and mentioned the details of Mr. Shultz's conversation with me, and the particulars of how he had lost goods as they had gone from the sample-store; and he said he thought it was rather a small-potato business for a man to be in, in playing the part of detective. Then he said he didn't want anything to do with such a man, or would not receive him in there, any way.

Q. Did you tell him for what purpose you were looking these matters up?—A. I mentioned that I was connected with the press.

Q. Did you tell him with what press?—A. That I don't recollect. I have been trying to recollect, too, but I cannot say positively.

Q. What did you tell him about this experience of Mr. Shultz?—A. I cited cases where goods had come in, and they had gone to the store—the sample-store—in good order, and when they were returned to them, were returned in bad order, and several packages missing.

Q. What did you tell him about Mr. Shultz's experience?—A. I simply stated that the goods had been extracted while under the care of the Government, or the charge of the custom-house officials.

Q. To whom were you speaking?—A. I was speaking to Colonel Leet.

Q. What did you tell him had been abstracted from Mr. Shultz's case?—A. I didn't mention the case of Mr. Shultz in particular; I didn't mention Mr. Shultz's name; I simply stated what I had learned; that I had learned that this occurred and that occurred; but I stated to you that I got that information from Mr. Shultz.

Q. I understood you to say that you stated to him what had happened to Mr. Shultz?—A. I did, but I didn't tell him who these things had happened to.

Q. Do you remember the particular facts, then, that you did communicate to him?—A. I recollect the fact of stating that goods, in a general way—that I had known cases, or instances, I should say, where goods had been abstracted while under the care of the Government officers, and that merchants had so stated to me the general fact, and that I had been engaged in getting evidence.

Q. And he replied to that, what?—A. He replied to that that it was a "damned small business," or some such remark as that—"like a small-potato business, to be engaged in, in acting the part of detective."

Q. Anything else?—A. Yes; then I spoke about whether there was an opening, and he said no, there was no opening for anybody engaged in such a disreputable business, and that he didn't want anything to do with such a person. That is about all—the sum and substance of it.

Q. You first asked him if there was an opening, and he told you no?—A. Well, I mentioned the subject of an opening, and I cannot say positively whether he said, "No, there is no chance," or whether he said, "I don't know." At any rate, what he did say led me to repeat the question.

Q. But you are confident, when you first met him, you asked him if there was an opening?—A. Yes, sir.

Q. And you recalled his attention to the fact that you had formerly applied to him for one?—A. I did; I said, "You recollect, don't you, that I called some time ago to see whether there was an opening for this young man; he is an excellent book-keeper and accountant;" and he said, "Yes, I recollect something to that effect;" and I don't think he answered decidedly, but said, "I don't know," or something of that kind. At any rate, whatever he did say led me to repeat the question. Or he might even have said, "No, there is not;" and then I might have said when I left, "Then there is no opening, is there?" At any rate, I recollect the fact of mentioning it when I first went, and mentioned it when I left.

Q. You mentioned it when you first went there?—A. I recollect that; yes.

Q. Now, you don't remember what his answer was; whether he said he had no opening or declined to say?—A. He either said he had no opening, or he said there was not I don't recollect positively which. He didn't say there was an opening.

Q. But after you had got an answer from him, you went on and unfolded to him what business you were in?—A. No, sir; not in that way at all; in the course of ordinary conversation, between gentlemen, who exchange the courtesies of the day, and talk on current topics, and he being in the general-order business—

Q. That is not current topics?—A. It was connected with the business I had been hunting up, and it was natural that I should mention to him that there had been charges made against custom-house officers; and I therefore, naturally—not for any other purpose, but just naturally—in the course of conversation, mentioned these circumstances that I have stated to you.

Q. And in that way unfolded to him the business you were in?—A. It casually—those facts were elicited in our conversation that I was in that business.

Q. Looking up these things for the press?—A. Yes, and had been for some days.

Q. And after he had expressed that opinion, that you were in damned small business?—A. I don't say that he positively used that expression, but it was "a small-potato business"—a disreputable business.

Q. After he had expressed the opinion that you were in a small-potato business—a disreputable business—then you applied to him if he had anything for your brother-in-law?—A. I said to him, "Well, then, you have no business; there is no opening for him?" I might have put the question to him in that way. I renewed the question I asked him; how, and in what language, I don't recollect.

Q. But you applied to him again if there was an opening for your brother-in-law?—A. Yes, I did.

Q. And then he said in answer to that, what?—A. He said, no; he didn't feel disposed to grant favors for anybody that would be engaged in such a business, anyway. Whether that was the reason he had no opening, or whether it was the only reason, or whether it was only one reason, I don't know. I had something to do with it, anyway, according to the manner he spoke in.

Q. You inferred that from the manner in which he spoke?—A. Yes, sir; or either—

Q. That it *did* or *would* exercise an influence?—A. That is what I meant to say.

Q. You inferred from something he said that the low business he found you had been in, either did exercise an influence, or it would exercise an influence over his mind, in passing upon the question whether he would let your brother-in-law have a situation or not?—A. Exactly; that is it.

Q. Did you pursue the investigation to see what influence that would be likely to have; whether a favorable or unfavorable one?—A. No, sir; I have not seen him, to speak to him, since that.

Q. Did you drop the negotiation there?—A. There was no negotiation about it.

Q. Did you drop the conversation?—A. I said, good day, and left him; or something of that kind I said.

Q. When was it that you told him about the petition to Mr. Murphy to change the general-order business?—A. I never had any conversation with him on that subject.

Q. Never had any conversation with him about the general order?—A. Never in my life.

Q. When did you communicate these facts to Mr. Shanks?—A. They came out accidentally—casually. I was sitting at my desk, in the room where we all sit, and Mr. Shanks asked somebody the question, or somebody asked him the question, whether Leet & Co. were still engaged exclusively in the general-order business? I spoke up—and it was the only time that I ever mentioned meeting him or anything about him—I spoke up and said, "Yes; I knew they were, because only a few days ago I had seen Colonel Leet and spoken to him, as he was standing in front of their stores." And also remarked that he had got quite angry with me, because I had said there were extortions in the custom-house business; and he replied, he guessed they were no greater than they had been; they were inseparable from the conduct of customs matters. I didn't apply that to general-order business; neither did I say anything to Colonel Leet at any time about general-order business. I never mentioned the subject to him or he to me.

Q. The fact that you communicated to Mr. Shanks was that you knew Leet, Stocking & Co. had exclusive control?—A. Had control; were still in the business.

Q. Then you did not tell Mr. Shanks that Leet, Stocking & Co. had an exclusive control of the general-order business?—A. I think I did, but I didn't base it upon that fact, that I had seen Mr. Leet standing in front of there; I base it upon the fact that I had been told so a day or two ago by a revenue officer, who boarded in the custom-house with me, and with whom I was very intimate, and who knew all about revenue matters—or custom matters, I should say.

Q. When Mr. Shanks asked or was asked whether these parties were in the exclusive control of the general-order business, state once more what your answer was to that.—

A. There was no answer, because he hadn't addressed a question to me.

Q. What observation did you make?—A. I made an observation at that time.

Q. You did? let us hear what it was.—A. I said that I knew that Leet & Co. were in charge of the general-order business, because it was only a few days ago that I had

a conversation with Mr. Leet, and then I stated what the conversation was, as I have previously stated it two or three times; and I think I stated—I don't recollect whether I did or not, but I think I did, and it is very probable I did—that they had the exclusive control. The reasons for my knowing that are the reasons I have just given you—that I was informed so by those who knew, but not by Colonel Leet; neither did I say Colonel Leet told me so.

Q. Who is this revenue officer who informed you that Leet, Stocking & Co. had exclusive control of the general-order business?—A. He resides at the "Home-made" hotel—I don't recollect his name now, but he resides at the Home-made Hotel, in Greenwich street. I don't recollect his name at this moment. I have been trying to think of it since I have mentioned the circumstance. He is there yet, and boards there now, and did then.

Q. Do you board there now?—A. Not now; I did at that time.

Q. How long did you board there?—A. I was there three or four months, or two or three; I cannot tell.

Q. And this man boarded with you?—A. Yes.

Q. You don't remember his name?—A. I don't recollect it now.

Q. Do you remember his business?—A. Yes; he is a Government inspector.

Q. When you informed Mr. Shanks of this interview between yourself and Colonel Leet, and this conversation about the service in the custom-house, did you also inform him that Colonel Leet was a cousin of yours?—A. No, sir; I don't know how that fact got out, except in this way; I never told anybody right up and down, or volunteered any such information. I never was anxious to establish the relationship, but people they asked me sometimes, and did ask me at that time, because he had been the subject of talk in Congress, and the question was asked me while in that office, whether he was any relation, and I think I made the reply, "yes." I believed he was a cousin. I never stated or volunteered that he was a cousin, but I made that assertion in regard to a question asked. I never was anxious to establish a relationship between him and me.

Q. Then you say you did not tell Mr. Shanks in this conversation that Colonel Leet was a cousin of yours? A. I might in respect to a question of his, or might not, I don't recollect, positively.

Q. Did he put such a question to you?—A. I don't recollect that, whether he put such a question to me.

Q. And you won't undertake to say whether you did or did not tell him of that relationship?—A. I won't undertake to say, because I don't recollect. The question might have been asked, "Is Colonel Leet any relation of yours?" and if he did, I should have said, in all probability, as I have said a hundred times, I believe, "He is a cousin; at least, I have understood so." I never told the particulars of the reasons why I thought so, or anything of the kind, until to-day.

Q. But you have a hundred times said you could?—A. I don't think quite as many as that, because I have not been asked that many times, but when I have been asked the question I have replied in that manner.

Q. Has the question been put to you often, or not?—A. Since it has become prominent among the newspapers and among the community, the question has been asked.

Q. There was a growing desire to know what your relationship was?—A. Not at all; inasmuch as he is so prominent now in most men's mouths, and as I bear the same name, and the names are uncommon, it seems to be natural for people to want to know.

Q. They ask you frequently?—A. Yes.

Q. How frequently?—A. I think not one hundred; I have not kept any memorandum of it.

Q. Who has ever asked you?—A. I had a gentleman met me in the street and ask me, a gentleman from Connecticut, where the Leets are supposed to come from primarily.

Q. What is his name?—A. His name is George Crittenden, on the corner of Leonard street and Broadway. From Guilford, Connecticut.

Q. That was yesterday?—A. Yes.

Q. Have others asked you?—A. Yes; quite a number have asked me here in the Fifth Avenue Hotel—he was here a little while ago. He asked me a day or two ago. I don't see him now. It is a reporter for the Associated Press asked me, and Mr. Moulton, of the World's staff, asked me, and quite a number asked me.

Q. What did you inform them?—A. I think I told them that I believed he was a relation, or some such remark as that.

Q. When did they ask you?—A. He asked me if I was a relation.

Q. When did they ask you that question?—A. One of them asked me that question last week.

Q. Which one?—A. The Associated Press gentleman. He is not here now—a short young man. I think it was he.

Q. When did Mr. Moulton ask you the question which he asked you one night last week?—A. I forget what evening.

Q. Now, do you remember what you said in reply to that question last week?—A. The question asked was, "Is he a relative?" I said, "I believe he is," or some such remark as that, to indicate the fact.

Q. Something to indicate the fact; but I don't remember how you indicated it?—A. No, sir; I don't recollect how I indicated it. I don't think I said—I don't know whether I did or not.

Q. Now, Mr. Leet, I understand you communicated this matter to the committee?—A. I wrote the article.

Q. To what paper was this thing communicated?—A. I wrote for the Tribune.

Q. And it is taken from the Tribune?—A. It is cut out of the Tribune.

Q. And you say that is true?—A. I say that is true to the best of my knowledge and belief.

Q. I have a statement here that the well-known firm of Phelps, Dodge & Co. have, for some time past, entered their goods at the ports of Philadelphia, Boston, and even Baltimore, finding it cheaper to do so, and transport them over by rail, than to bring them into this port direct, and pay the custom-house charges and cartage. That is true, you say?—A. Upon information and belief, it is true.

Q. I understood you to say it was true?—A. Upon information and belief.

Q. Upon whose information?—A. Upon the information of E. C. Johnson, bonded warehouse-keeper, at 6 and 8 Bridge street, who informed me positively that the members of that firm had repeatedly told him so, and to whom, when I put the question, "Are you sure of it, because I don't want to publish anything but what I can verify?" replied, "I am positive, and can prove what I state."

Q. That is your information?—A. That is my information.

Q. There is a statement here, which, as you corrected, declares that carmen have to pay from 15 to 30 per cent. of the amounts which they charge to Leet & Co., in order to obtain the privilege of carrying goods. That, you say, is true?—A. Upon information and belief.

Q. Upon whose information?—A. Upon the information of E. C. Johnson and his two partners, whose names I forget, who stated that at various times carmen and inspectors have told them so; and he furnished me the names of the inspectors, or some of them, but I have not them with me. I had them with me, but have left them at home to-day; but he states that he is ready to give the names of these carmen and inspectors.

Q. You had the names of those inspectors yesterday?—A. Of two of them; not yesterday; a few days ago—day before yesterday.

Q. To-day you come here to testify, and you don't bring them?—A. I have my pockets filled with papers of various sorts, and yesterday I took them out and put them in my desk. I remember his name now, or one of them. One of them is named Butler—no, no—Young. He said they called him there "Butler Young." He gets his name "Butler Young" from his strong love for General Butler, and his always talking about General Butler's prowess, &c. That is the statement of Mr. Johnson, who knows about it as a matter of fact.

Q. Who is he that is so christened; is he a carman?—A. He is a revenue inspector. He stated to him that the custom-house carmen paid them for services in sending goods to the bonded warehouse by the custom-house carmen, instead of by the merchant; that is, he didn't state it to me, understand.

Q. Where goods have been taken to bonded warehouses, it has been customary for the inspectors to hurry them away by the customs carmen before the merchants' carts arrive?—A. Yes.

Q. Or else to tell the merchant's carman to call again, and then to send the merchandise to the warehouses by the customs carman. That, you say, is true?—A. Upon the statement of E. C. Johnson & Co.

Q. "For these services many of the inspectors have received large percentages, and before this investigation began they did not hesitate to make the avowal openly."—A. The same authority.

Q. "This can be proved by bonded warehouse-keepers, to whom the carmen and inspectors have frequently spoken on the subject?"—A. Yes; those are the gentlemen—E. C. Johnson & Co., and one or two others whom he named.

Mr. BAYARD. You have asked him about his information from Johnson of the trade being forced from New York by reason of the charges of the house, especially of Phelps, Dodge & Co. Let the witness read the testimony of Mr. Dodge himself upon that subject, entirely corroborative of the statement he has made in the article. Of course we are in search of the weight of those statements made by him, and that is the fact.

The WITNESS. You are the parties that could weigh me; I believed that was true, and if I hadn't believed so, I should not have published it.

Mr. BAYARD. I merely say here that as the examination was to test the accuracy of your statement, and you made a statement that Mr. Dodge himself has sworn the truth of, I thought it was right you should hear it.

Mr. BAYARD. Two questions were asked Mr. Dodge. The first was: "Q. What is

the effect of the present custom-house management upon the mercantile interests of New York City as to the diverting of trade?" and the answer was, "A. I can say this: The complications, annoyances, vexations, and the dangers which are occurring to merchants from the present custom-house management are such that every merchant whose imports come from Europe sends them to any other in preference to New York, if he can arrange to do so." The other question was: "Q. Does your own firm send any freight in that way?" and the answer was: "A. We send all the trade we can get to Baltimore, New Orleans, and Portland in preference to New York." That was the testimony last February before the committee.

Mr. HOWE. The statement in this communication lacks a great deal of being supported by the testimony of Mr. Dodge. The statement in this communication is that they import goods into these other ports and bring them over by rail rather than have them come here direct.

Mr. BAYARD. He says that, too, I think you will find.

Mr. CASSERLY. I don't know why they should send goods to Boston or Portland, or anywhere else, merely to have them stay there.

By Mr. HOWE:

Q. "On the 15th of January last, Messrs. C. F. Cassenary & Co., No. 31 South William street, importers, paid Leet & Co. for charges on fifteen bales, \$21.75, whereas the regular charges are about \$9;" on whose authority do you make that statement?—A. I make the statement of the payment of the bill upon the authority of the bill itself, which was receipted and handed to me by the chief clerk. I make the statement of the regular warehouse charges, both by what was taken from the tabulated warehouse charges and also by the after testimony of the bonded warehouse-men, several of them.

Q. Where did you see the table from which you gathered this evidence?—A. I saw it in the office of Cassenary & Co. This is a regular memorandum; it is not printed; it is either in pen or pencil.

Q. What did those tables inform you was the regular charge for handling and storage of bales?—A. I don't recollect. I recollect this fact, that after computing, according to that table, that the result was the proper amount should have been, according to that computation and that table, \$9, and that, in order to see whether I had made an error, I submitted it to the inspection of the bonded warehouse-men, who figured it up also, and in fact figured up every one of them, and stated that they were correct; so that is really their statement and not mine.

Q. Not yours?—A. It is really transcribing their statement.

Q. But I understand you it is embodying also your own investigation from bills, and from public regulations?—A. It is doing both.

Q. Now what were those bales; bales of what?—A. I didn't learn; I didn't care; I didn't ask. I wanted to make a relative comparison between the amounts.

Q. You don't know what they were bales of?—A. No, sir; but the warehouse-men were told in my presence by Cassenary & Co.; the bills are shown him by them, so that he knew, and Mr. Cassenary's head clerk knew.

Q. Knew what they were bales of?—A. Yes, sir.

Q. Won't you look on those bills and see the regular charges for the storage of bales; what kind of bales did you look for the storage of?—A. I don't recollect; that particular kind that the bill was speaking of.

Q. But you didn't know them?—A. I did then; I don't know now.

Q. How long ago was that?—A. I did day before yesterday. It was opium—not bales, but packages of opium.

By Mr. CASSERLY:

Q. Mats of opium?—A. No; it is stated there as packages.

By Mr. HOWE:

Q. You are talking of bales here?—A. What those bales were I didn't know; I didn't ask; I don't recollect.

Q. How do you know that he got the regular charges correct?—A. Because I know it from the table. I did see at the time what they were bales of.

Q. There were fifteen of them?—A. Yes; charged a dollar a bale, isn't it? I forget now what the charges are.

Q. What charge are you talking of?—A. Fifteen bales, you say?

Q. Yes.—A. I say I believe it was \$1 a bale, but I don't recollect the statement there.

Q. What charge was \$1 a bale; Leet & Co.?—A. Yes; you have got it there.

Q. You are mistaken about that; it is \$21 and something.—A. Yes.

Q. The regular charge would be \$9, which would be how much a bale?—A. For how many bales?

Q. Fifteen bales.—A. It is 60 cents a bale.

Q. You found, then, the written or published evidence that the regular charge for

cartage, storage, and handling certain bales—such bales as these were—was 60 cents?—

A. I cannot say that, because that \$9 there may not have cartage included in it.

Q. Do you know whether it has now?—A. I don't recollect now. I know that is true.

Q. It is true?—A. Yes.

Q. But whether true with the cartage or without it you don't know?—A. If it excludes the cartage, then Leet & Co.'s cartage is out of the way. If it includes cartage, the other does also. It is true if it covers just what Leet & Co.'s charges cover; then it is true. Their bills will show, which those are copies of.

Q. These are transcripts of them?—A. Yes; those are copies of the amount of Leet & Co.'s bills.

Q. This is an aggregate sum—\$21.75?—A. Yes; so many bales.

Q. Fifteen bales?—A. That is just the way the bill is made out.

Q. You are sure of that?—A. Certainly.

Q. Certain as you live?—A. Certain as I live. There is not much bill to it. It is to Leet & Co.; that is what it states—so many packages, so much.

Q. This statement of the charges preferred against Paddock & Fowler—did you get that information from Johnson & Co.?—A. I got that information from Mr. Paddock, who is very anxious to come up here and testify.

Q. He told you what the charges were?—A. He did. I saw his bill, too.

Q. Did he tell you what Johnson & Co.'s charges were?—A. He told me what they would have been; and Mr. Johnson verified his statement. Mr. Johnson was in there with me.

Q. You got that information from both parties?—A. From both parties.

By Mr. CASSERLY:

Q. Has your attention been called to the statement, or to that portion, rather, of Colonel Leet's testimony in regard to which you have been testifying?—A. Yes, sir.

Q. It was stated by Senator Pratt, in the question which he propounded to Colonel Leet, that Mr. Whitelaw Reid, of the Tribune, alleged that Colonel Leet stated to his cousin Allen, the Tribune reporter, (I am reading from the report in the Tribune, which I believe to be substantially correct,) that he had made a great deal of money out of this business, and excused what were popularly called extortions by stating that the like had been tolerated under every administration. Senator Pratt then continued: "I desire to know whether you made that statement to your cousin, Allen Leet." Colonel Leet's answer was: "I don't know any such person, sir." I understand you to say that he has known you since 1861, or thereabouts?—A. I have had three conversations since that time, yes, sir.

Q. The last conversation was when?—A. Four or five months ago.

Q. The next question was: "Do you know the Mr. Leet upon the Tribune staff?" The answer was: "I do not." You are the Mr. Leet upon the Tribune staff, are you not?—A. I am; yes, sir.

Q. The third question was: "Did you make that statement to any Leet?" "I never have, nor to any one else." Do I understand you to say that you and George H. Leet had—within how months was it that you had conversation?—A. I had a conversation.

Q. How long ago?—A. Four or five months ago.

Q. Do I understand you to say that within four or five months you had a conversation with Colonel Leet in regard to the custom-house extortions?—A. We didn't meet for the purpose of discussing that matter, but it came up in the casual course of conversation.

Q. And he did state that they were no worse than had existed under every administration?—A. He didn't state exactly what he did state there.

Q. Is what I stated to you what he did state there?—A. Please repeat your question.

Q. I think it would be better all around that I should leave it to you to answer it. In the conversation about those extortions, what did he say to you?—A. I spoke about irregularities in the custom-house, but not about the general-order business particularly, and he remarked that matters were no worse than they had been many times previous, or under previous administrations, so far as he knew, or something to that effect.

Q. Then there was such a conversation between you and him as you have just described?—A. Casually that subject came up.

By Mr. PRATT:

Q. In that conversation was there any reference to the profits of the general-order business?—A. Not a syllable.

Mr. CASSERLY. That was a separate head of your question, Mr. Pratt. First the general-order business, and next the cause of the extortions. He meant that they had been tolerated under other administrations.

Mr. HOWE. I think it is best to put Colonel Leet on the stand, and hear anything he has to say, while this witness is here.

The CHAIRMAN. Will it be your pleasure to hear Colonel Leet again?

Mr. CASSERLY. Suppose the other man wishes to be recalled? Each of them has had his say. I don't object to this, but I want to know to what extent the question must go on.

Mr. BAYARD. When is the thing to have an end? In the first place the committee are perfectly aware that Mr. Reid brought in this statement and read it as part evidence. In regard to that Colonel Leet was fully apprised of it, and the question was brought to his knowledge, and he was requested to make any statement about it he desired, and deliver himself fully in respect to those facts. This witness is requested for two purposes, first, to give some general evidence in regard to the abuses of the general order, and next, to respond to Colonel Leet's own statement in regard to that. Where is to be the end of this matter? And then, besides, the matter has become a purely personal question, in which both parties have had an opportunity to make their statements. The weight of those statements are matters for the public, I suppose, to whom they belong. I say that even if this were a court of justice, regulated by strict rules, that the investigation would not be allowed to proceed any further. Incidentally things will come out that are unpleasant to individuals, and they may be in conflict, yet there must be an end to it, or else there must be an end to our examination.

Mr. HOWE. In the first place we have not confined ourselves to the strict rules of evidence, and I believe that at this stage of the proceedings, that would prevail in the courts of law. I think brother Bayard will agree upon reflection that in this precise case, if we stood in a court of law, Colonel Leet would be allowed to be put upon the stand. I think brother Bayard will admit with all of us, when a witness has testified to a certain state of facts, and has had an opportunity to listen to a contradiction of his statement by another witness, detailing particulars, no court would have refused to allow the first witness to be recalled and to say whether, after having listened to that contradiction, he will reaffirm it or retract his general statement.

Mr. BAYARD. You seem to forget that in the first place this man's statement was made the target for attack by Colonel Leet, and that, therefore, not only have you had Colonel Leet upon the stand twice, but you have had this man but once. However, I leave it to the court.

The CHAIRMAN. Is it your pleasure to hear Colonel Leet again? All those in favor of hearing Colonel Leet again will please say, ay.

The vote being in favor of Colonel Leet's testifying, he was placed upon the stand.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

Colonel LEET recalled and examined.

By Mr. HOWE:

Question. Did you see the witness who has just left the stand?—Answer. I did.

Q. How long have you been acquainted with him?—A. I never saw him before to my knowledge.

Q. Did you see him or did he call on you at any time, within four or five months, to apply for a situation for a brother-in-law of his?—A. I have no recollection, Senator, of any person calling upon me for a situation for a brother-in-law. This man certainly did not.

Q. Were you in Philadelphia at any time in 1850 or 1860?—A. No, sir.

Q. Or 1861?—A. No, sir; I was in Philadelphia in 1854 or 1855, and from that time was never there until after the war.

Q. Do you recollect at any time calling upon a gentleman of your name at the Continental Hotel, in Philadelphia, and inquiring about his pedigree, and comparing yours with his?—A. I never did.

Q. Do you, at any hotel, at any time, in any city, recollect exhibiting to anybody by the name of Leet, or any other name, a book containing the pedigree of your family?—A. I never have had a book of such character and have never called upon any person with a view of exhibiting any such thing.

By Mr. BAYARD:

Q. Is there any other George K. Leet known except yourself?—A. I never knew of any other George K. Leet.

By Mr. CASSERLY:

Q. What was the place of your residence? You say you were in Philadelphia in 1854; what was the place of your residence there?—A. Eighteen hundred and fifty-four or eighteen hundred and fifty-five.

Q. I think you said 1854?—A. I said 1854 or 1855.

- Q. What was the place of your residence?—A. Pittsburgh, Pennsylvania.
- Q. What took you to Philadelphia?—A. I went there on a visit, entirely.
- Q. What was your age?—A. At that time, I was about eighteen years of age.
- Q. And where was your residence then?—A. Pittsburgh, Pennsylvania.
- Q. How long did you live in Pittsburgh?—A. I lived there until the fall of 1856.
- Q. Where did you live after that?—A. I lived in Chicago.
- Q. Did you live in Chicago until 1862?—A. I did.
- Q. What was your place of business during that period?—A. I was connected with the Pittsburgh, Fort Wayne & Chicago Railway Company—chief clerk of the freight department.
- Q. Were you never further East than Pittsburgh during that time?—A. Never as far as Philadelphia.
- Q. How much further East than Pittsburgh were you in that time?—A. I think I was not further East than Pittsburgh; certainly not more than a few miles this side of it.
- Q. When did you first see Allen N. Leet?—A. Never saw him to my knowledge before to-day.
- Q. Of that you are quite sure?—A. I am quite positive.
- Q. You were asked whether you had ever received an application for a place for another person?—A. Yes.
- Q. What was your answer to that?—A. I never gave him any answer. I never saw him.
- Q. Did you receive an application from him?—A. I never did.
- Q. I understand you to say explicitly that you went from Pittsburgh to Chicago in—1858 wasn't it?—A. Eighteen hundred and fifty-six.
- Q. And that after that time you never went east of Pittsburgh, until after the war?—A. Never further East than a few miles.
- Q. Name the place?—A. I could not name it. I may have come east of Pittsburgh as far as Liberty or Wilkensburg.
- Q. That is not more than ten or twelve miles this side of Pittsburgh?—A. No, sir.
- Q. At what period after the war were you first in Philadelphia?—A. I have never been in Philadelphia since the war, except once.

By Mr. HOWE:

- Q. Do you mean that you have never been there at all or never stopped?—A. I have never been there except in passing through in the cars from Washington to New York.

By Mr. CASSERLY:

- Q. State what you mean.—A. I have passed through Philadelphia since the war several times, in passing back and forth between Washington and New York, but haven't left the cars. On one occasion I missed a train and went to the Continental Hotel. It is within four years, certainly—certainly since the war—and was there perhaps two hours, and saw no person by the name of Leet; in fact, saw no person with whom I was acquainted during the time I was there.
- Q. That was since the war, and probably not later than 1867; is that the way you wish to put it?—A. It is within three or four years. It is, at any rate, since the war.
- Q. Not later than 1868; can not you fix it better than that?—A. I cannot, because I have traveled a good deal since the war, and I cannot fix the date.
- Q. You cannot fix this first visit of yours, or first stay of yours in Philadelphia from the time you went to Chicago in 1856; you cannot fix more nearly than that it was since the war, and was three or four years ago?—A. Let me think for one minute now, and perhaps I can; I can state positively it was since 1865, and it was not a visit to Philadelphia.
- Q. I said a stay.—A. A stay; I was there for a few hours, perhaps two or three hours, simply to await the arrival of another train.
- Q. My wish is to have you, if you can, fix the date of this stay more nearly than by saying generally it was since the war.—A. I can fix it no more closely than that it was since 1865.
- Q. That was the year of the close of the war?—A. Yes.
- Q. And that is the best you can do in regard to the time?—A. That is the best I can do. I have had to lie over for trains a great many times during that period, but I cannot remember in this particular case the year, but certainly since the war.
- Q. Then it has happened many times since that first time that you have had to lie over there for trains?—A. No, sir; I didn't say so.
- Q. What do you say?—A. I say I have very often been obliged to lie over for trains at different points.
- Q. You didn't say different points. [Reporter reads the answer.] You see I am not wrong in saying so.—A. You may not be wrong, but I certainly did not say that I lay over in Philadelphia several times.
- Q. You were speaking of your stay in Philadelphia; however, the report vindicates me. I don't say that to criticise you, but to see that I was right in my correction of

your answer, but now you have corrected it, which I am perfectly willing you should do—A. No, sir; I didn't want to correct my answer; I don't think that can be construed as saying that I was staying in Philadelphia.

Q. Were we talking of any other city in the United States since the war?—A. No, sir. I stated that I had been waiting for trains many times since the war. I didn't say I had been detained many times in Philadelphia. I stated previous to that I had been in Philadelphia only once since the war; it was only for a few hours, when I was detained waiting for the train.

Q. I asked you then to fix the date; you didn't do it, and you went on to say that you had been detained many times waiting for trains. Now I ask you whether we were speaking of any other place in the world, in reference to that staying over, except Philadelphia?—A. You were speaking with reference to my staying over in Philadelphia and I had stated, prior to that, that I had never been in Philadelphia since 1854 until this time.

Mr. HOWE. The question had relation to time and not to place.

Mr. CASSERLY. No, that was not it; he insists still that his answer was not as I have stated it, and now I want him to mention what other places, besides Philadelphia, we were talking of in the examination at the time he made that answer which the reporter has just read.

Q. Will you answer me whether we had named any other place but Philadelphia as a place of your stay?—A. We did not, but I had stated that Philadelphia—that I had been in Philadelphia but once since 1854, and that was when I was detained waiting for a train, at some period since the war.

Mr. CASSERLY. I don't care about continuing the discussion. I think your testimony speaks for itself.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

JOHN DE BROT sworn and examined.

By Mr. HOWE:

Question. Give your occupation.—Answer. I am a clerk with A. T. Stewart & Co.

Q. In the testimony given here by Mr. Stewart and by Mr. Cooper, it was alleged that an agreement had been made on behalf of the house of A. T. Stewart & Co. with Leet & Co. to restrict the general-order charges upon any package to \$1.75, and bills were produced here. Messrs. Leet & Stocking have both been examined, and deny the fact that such an arrangement was made. If you have any testimony touching the fact of that agreement, if you made it, state with whom, and give us the circumstances, and if you have the bills produce them; make your statement in your own way.—A. The bills were sent to the house at various times, and at various charges; they increased almost every bill until they got to be \$2 a package, which the house objected to. I sent a messenger to his store and asked him to reduce it to \$1.75; and I also told him that I would like to see the person who had charge of that business. A few days after that a gentleman called who I supposed was Mr. Leet, but I found out that it was not Colonel Leet, for I never saw the gentleman before.

Q. You have ascertained the name?—A. I have ascertained who the gentleman was from the description I gave at the store-house; it was Mr. Van Sann.

Q. Have you got those bills? State how that understanding came to be arrived at, and what it was.—A. The first bill, paid on December 10, the committee will notice there is a star in blue opposite the charge, \$2; that bill was sent to Leet & Co.; the overcharge between \$2 and \$1.75 was deducted from the bill, and paid accordingly on December 10.

Q. Those are the original bills?—A. Yes, sir; you will notice that on that bill.

Q. I understand you that you objected to paying the charge of \$2?—A. Yes; and remarked that the most we would pay would be \$1.75.

Q. Did that bill, in consequence, remain unpaid for some little time? Look at the date upon it.—A. I think it did; this bill was rendered in November and paid December 10.

Q. When it was paid, was it paid in accordance with your demand for a reduction?—A. It was; and it is deducted from the bottom of the bill.

Q. That statement shows that the reduction was made in accordance with the demand you made?—A. Yes.

Q. When was your arrangement made that thereafter but \$1.75—A. It was made at that time; the next bill was rendered on December 12, still making an overcharge beyond \$1.75, and that bill was sent to them with that memorandum on the bottom of it—that "Mr. Leet and Mr. Badeau agreed that \$1.75 was to be the highest amount charged."

Q. This is the bill which they rendered and which you returned with this memorandum upon its foot?—A. Yes; and they made a deduction accordingly on the bill.

Q. Those gentlemen are here; I observe the receipt is Leet & Co., per C. W. V. S., and settled by—Mr. Van Sann is his name, is it?—A. Yes; I believe that is the name.

Q. With that note—the original note upon the foot of the bill—and in accordance with the agreement?—A. Yes, sir.

Q. Since that time have the bills been kept down to \$1.75?—A. They have in every instance.

Q. And the agreement has been followed out?—A. Carried out.

Q. It appears, then, to be a misapprehension so far, that Colonel Leet personally, or Mr. Stocking, were not individually connected with this arrangement, but the gentleman who is there—I think they have spoken of him as being their expert—is the gentleman with whom this arrangement was made; at least, he is the gentleman whose receipt appears there and who settled with you these bills of that nature?—A. He didn't with me. I sent our collector to pay the bills.

Q. When the bills were presented the memorandum of agreement was on it at the time the bill was paid to him?—A. Yes.

Q. And that was put on in your handwriting?—A. No, sir.

Q. Who wrote it on the bill?—A. A young man who has charge of the customs bills.

Q. Did you dictate it to him?—A. I did; the charge being over \$1.75, I declined to pay anything beyond that.

Q. And he agreed to settle it at that time?—A. Yes.

Q. You say since that time they have not increased their charge beyond \$1.75?—A. Not one bill beyond \$1.75 since that time.

Q. I only want to ask you if you mean to be understood that you made this arrangement with Mr. Leet personally?—A. I supposed I did at the time, but since then I have discovered that it was not; Mr. Leet sits there, and I never saw that gentleman before.

Q. Which do you take to be Mr. Leet?—A. Beyond there. [Indicating.]

Q. Yes; and now you understand it is Mr. Van Sann?—A. So I understand from the description that I gave of him.

Q. Do you know whether it was not Mr. Stocking?—A. No, sir; it was not that gentleman. This was a year ago, recollect; that was in December, 1870.

By Mr. BAYARD:

Q. I understand you that since that time the agreement has been acted upon by them, and the charges have not since that time amounted to \$2 a case?—A. No, sir.

Q. You would not pay over \$1.75?—A. No, sir; I would not have paid over \$1.75.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

The CHAIRMAN. I have a communication of Mr. Gorham, a member of the assembly. He says: "My public duties require my presence here until the latter part of the week. Will Saturday, 27th, 12 p. m., answer." What reply is to be made to that?

Mr. CASSERLY. Twelve noon he means, probably.

The CHAIRMAN. That was my mistake; I was in the dark. Shall I telegraph him to be here on Saturday morning?

Mr. CASSERLY. If he is here Saturday noon, we can get him in.

Mr. HOWE. We ought not to incur the expense of calling this gentleman here at all. We have a statement from one witness that he has been told that such a thing happened to Mr. Gorham; he did a certain thing for certain reasons. Now, that may raise in the mind of somebody a suggestion that possibly it was so; but if Mr. Gorham should write a letter, and should say that it was not so, I don't understand what rational man could refuse to think that that oral statement was a complete rebuttal of the oral statement we have from the other quarter. That has been my idea of it, but when it was suggested the other day that we should send for this witness, I did not urge that consideration, and shall not now, if other gentlemen of the committee think it is important to have it.

Mr. CASSERLY. Let him come.

The CHAIRMAN. That will be your pleasure—that I shall direct him to be here Saturday morning? You will say, ay.

Carried.

J. EUGENE ROBERT, called by the committee, sworn and examined, testified as follows:

By Mr. CASSERLY:

Question. Have you been subpoenaed?—Answer. Yes, sir.

Q. Are you an importer of watches in this city?—A. Yes, sir.

Q. How long have you been so?—A. Ten years.

Q. Did you lose a case of watches recently?—A. Well, yes, sir.

Q. Now, state the circumstances of that loss, so far as you know them.—A. I imported a case of watches, paid the duty on it, expected to find the case come in the usual way; the case never reached me; it was alleged to have been stolen while on the custom-house cart, from the steamer to the public store. I made inquiries at the custom-house; I was directed to the different officials; got not much assistance. I stated the facts to the collector in writing, but got no answer. A couple of weeks after I wrote to Washington. The Secretary of the Treasury wrote me two or three letters. The last letter was that the remedy, if any—showing a doubt—was in suing the carman. The carman had his license revoked; had no means whatever. I looked to the district carmen, his employers. They were Crane and Hoffman. Crane was a man without any means; Hoffman was an assumed name, although he had given bonds in the custom-house.

Q. You say it was an assumed name?—A. Because I could never find him, and the carman told me another name for him; it was a name merely on the books of the custom-house. So there was no redress from these parties. Their security, Henry T. Wells, went south as soon as it was spoken about. Then I wrote to Washington, and they told me to sue the bondsman if I could not get redress from the carman. I inquired by what authority in law I could sue the bondsmen; twice the answer was evaded—the question evaded. They merely stated the Government was not responsible for my loss. I have understood since that the bond given was not for the protection of the merchant, but for the security of the collector personally; so, of course, I have no redress. Now, I have never had the case, but paid the duty on it, and here at present I am without any means of redress in this case.

Q. Do you know that the case was delivered from the ship?—A. I do.

Q. What was the value of it?—A. About \$2,000.

Q. Contained how many watches?—A. About three hundred.

Q. What kind of watches?—A. These were silver and movements.

Q. I understand you to say that the carman who took the box from the ship is a person of no responsibility?—A. None.

Q. That when you tried to resort to his employers, the district carman, Crane and Hoffman, you found that Crane was of no responsibility?—A. None.

Q. And that Hoffman was a fictitious name?—A. A fictitious name.

Q. Explain what you mean by a fictitious name. Was there any real person behind that name?—A. Yes.

Q. Who was it?—A. A Mr. Batterson or Patterson. I did not understand exactly; say Patterson.

Q. What was the object of Mr. Patterson or Batterson in concealing his real name?—A. I don't know.

Q. Was there such a person employed in the custom-house?—No, sir.

Q. Do you say it was not so or that you do not know the fact?—A. Well, he is not employed in the custom-house.

Q. Did you ever trace him out?—A. I was introduced to him.

Q. What did he say on the subject?—A. He pretended to have nothing to do with the case; but he was the only one that showed any signs of responsibility.

Q. Did he ever make you any satisfaction for your loss?—A. No, sir; he said it was none of his business.

Q. What amount of duties did you pay on the case?—A. Two hundred and eighty-seven dollars, gold.

Q. Is that included in your valuation of \$2,000 on the case?—A. It is.

Q. Duties included, the loss to you is \$2,000?—A. About.

Q. Is that currency or gold?—A. Well, it would be \$1,900 and a fraction in gold.

By Mr. PRATT:

Q. Where were these watches imported from?—A. From Switzerland.

Q. Will you fix the time, and what vessel did they come on?—A. November 21, 1870, by the Santiago de Cuba.

Q. How do you know that this case of watches arrived in the ship?—A. The bill of lading shows it, and the carman's receipt.

Q. You saw that receipt, did you?—A. Not myself; I did not.

Q. Who did the carman give that receipt to?—A. Well, the case left the steamer, went down to the public store in Greenwich street, but they were too late for the public store there, and they went to the barge office and remained there over night; the next morning they were taken from there to the store in Greenwich street, and in that time they were stolen.

Q. Now, how do you know all that? How do you know they left the dock and went to the public store in the first place, and being too late for that went to the barge office? Did you see them in the possession of the carman?—A. I never see the goods until they reach my office.

Q. Did you ever see the carman's receipt for that?—A. I think not. The manifest of the vessel will show that they were in that vessel.

Q. You found that the carman who had the case in his cart was an irresponsible person?—A. Yes, sir.

Q. But you found that he was employed by Crane and Hoffman?—A. Yes, sir.

Q. That they were the district carmen?—A. Yes, sir.

Q. And you found that Crane was irresponsible?—A. Well, they had an office in South street, and immediately when I learned their place of business went up there, and the place was closed; they had disappeared; so, of course, I supposed they were irresponsible.

Q. I mean to say pecuniarily irresponsible. Were they men of pecuniary responsibility?—A. Crane is a man without means, I have understood; Hoffman is the man that don't exist; at least, the name does not.

Q. You say that Mr. Hoffman, who was represented by Mr. Patterson, a real person—was he a man of substance?—A. That I cannot tell.

Q. Have you ever instituted any suit against Mr. Patterson?—A. No, sir; but I have against Collector Murphy. I had to do something. I sued on this ground, that he took irresponsible bonds.

Q. That is the nature of your action against him?—A. Yes.

Q. That is pending in court at this time?—A. It is but just opened. Yes, sir; I suppose so.

Q. The suit has not been decided?—A. No, sir.

Q. You charge him with taking an insufficient bond from the district carman?—A. Yes, sir.

Q. Do you know which collector took this bond; whether it was Mr. Murphy or Mr. Grinnell?—A. Mr. Murphy.

Q. What was the date of the bond?—A. I took a copy of it, but I have not in my mind the date.

Q. You have not got that copy here?—A. No.

By Mr. BAYARD:

Q. In what office did you find that bond filed?—A. I think they call it the carman's bureau. Mr. Smith is at the head of it.

Q. You took a copy of it?—A. At first they did not wish to let me take a copy; then I wrote to the collector and got no answer; and at last I went to see the collector himself. When I got there I suppose I waited about two hours before they allowed me in; found the room full. I said when would my time come. The remark was, that all those were politicians; that if I had any business, I might go right on. I was there several hours. At last one of the clerks came and told me he had authority from the collector to show me the bond. I wished then a copy; there was another difficulty; they did not want to allow me to take that.

Q. Who declined giving you the copy?—A. The clerk. I insisted on it, because I wanted something like legal proof.

Q. Was this clerk aware that you had met with this serious loss?—A. I think I told every clerk in the custom-house.

Q. You wrote to the collector and received no answer?—A. No, sir. After that I wrote to the Secretary of the Treasury.

Q. What effect had that?—A. I got three or four letters.

Q. Have you got them?—A. Not with me; but I have got them all.

Q. You finally succeeded, against the will of this clerk at first, in getting this copy of the bond?—A. At last I got it.

Q. Do you remember the name on the bond?—A. Crane is one, and G. Hoffman is the other.

Q. Who are the sureties?—A. Henry S. Wells.

Q. Anybody else?—A. No, sir.

Q. Any witnesses to it?—A. I could not tell you.

Q. Did you ever ascertain whose duty it was to take these bonds and approve these securities?—A. I suppose it was the collector's.

Q. You discovered that the name of G. Hoffman was a fictitious name?—A. Well, my authority for that is the carman.

Q. Told you that there was no such person?—A. And I inquired for Mr. Hoffman, and no one knew who such a one was.

Q. You inquired of Crane?—A. Crane introduced me to his partner. His partner was Mr. Patterson; but on the books it says Hoffman.

Q. What did Crane ever say to you in regard to Hoffman? Ever say there was such a man, or was not?—A. Never spoke of him.

Q. Did you ever institute any search?—A. Not beyond what I have said.

Q. What other carman told you there was no such person as Hoffman?—A. Well, no other carman. I have had no dealings with any other.

Q. I wish to get your full knowledge for saying that the name of Hoffman on that

bond was a fictitious name?—A. Well, I have no further proof than what the carman said; and the other proof is that when I spoke about this loss, the only persons that I spoke to were Crane and the one he introduced me to as his partner—this Mr. Patterson.

By Mr. PRATT :

Q. May not Mr. Patterson have been a successor to Mr. Hoffman in that business?—A. No, sir.

By Mr. BAYARD :

Q. When you were introduced to Patterson, did you broach the subject to him of your loss?—A. He knew the loss, because when he found out they were stolen, he attempted to recover them; he and Crane, together with the police.

Q. Then he had assumed the role of Crane's partner?—A. Certainly. When I wanted to give him the responsibility he pretended he had nothing to do with it.

Q. Did he say anything about Hoffman?—A. He did not.

Q. Did you speak of Hoffman?—A. I did not. Well, when I inquired who Mr. Hoffman was, they told me "that is him," and I was introduced to him as Mr. Patterson.

Q. By Crane?—A. By Crane.

Q. And Crane introduced you himself?—A. Yes.

Q. Who pointed out Patterson as being Hoffman, and where was it?—A. The carman. The goods were stolen and offered for sale, and the carman, Crane, and Patterson, with the police, tried to get them back. When they found they could not get anything back, then they shirked the responsibility altogether.

Q. Had you any one with you when you went to see these people and make a demand on them?—A. I had not.

Q. Where was their office—this carman's office?—A. In South street.

Q. Was it after this that you made the application again to the collector?—A. Yes, sir.

Q. And sent him a written communication stating all these facts?—A. I wrote him all except about the bond. I did not mention that I could not find Hoffman; but supposing him to be responsible, I took up the bondsman, who gave security for \$50,000, and who was Henry T. Wells, and he was nowhere.

By Mr. CASSERLY :

Q. You stated he had gone South?—A. Gone South. He may be back.

By Mr. BAYARD :

Q. Did you employ legal counsel?—A. I did.

Q. And you say these facts were then made known to the Secretary of the Treasury?—A. Yes, sir.

Q. I wish you would send to the committee either copies or the originals of your correspondence with him.—A. Yes, sir.

Q. And also a copy of that bond.—A. Yes, sir; that is with the lawyer.

Q. If you could do that to-morrow morning.—A. I could not by to-morrow morning, because I would have to see the lawyer, and it is too late now. Do you wish the original letters, or just copies?

Q. If you furnish copies that will be sufficient, because they can be verified by reference to the Department. But I also want an accurate copy of that bond, with all the names upon it.—A. Yes, sir.

By Mr. CASSERLY :

Q. How long is it since Wells went away to the South?—A. It was soon after the loss of the case.

Q. The loss was, you say, when?—A. In November, 1870.

Q. You have heard nothing of Wells since?—A. No, sir.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1871.*

WILLIAM BUCHANAN, called by the committee, duly sworn and examined, testified as follows :

By Mr. BAYARD :

Question. Where is your place of business?—Answer. No. 54 Broad street.

Q. What is your occupation?—A. I have two businesses: a manufacturer of tobacco, and I have also got an interest in a spinning-mill.

Q. Are you an importer of goods from Europe?—A. No, sir. I imported spinning-machinery, though.

Q. Have you, in the course of your importation of machinery, had any business with the general-order stores kept by Leet & Co.?—A. I had, sir.

Q. State to the committee what your experience has been.—A. Part of my machinery got hurried in there very rapidly, and I discovered it, stopped it, spoke to them about they had hurried matters, and got their bill, got it reduced as much as I could, and then complained about it to the custom-house. It was called a righteous bill, and I paid it. I have got the bill with me.

Q. Let me see it.

[The witness produced the bill, which was read, as follows :

“NEW YORK, June 12, 1871.

“M——

“To LEET & Co.,

Dr.

“United States bonded warehouse, 362, 363, 364 West street, and 157, 159, 161, 163, and 167 Leroy street.

“STORAGE, LABOR, AND CARTAGE.

B. & L. N. Y.	7 cases machinery :		
	Storage, at \$2	\$14	00
	Labor, at \$2	14	00
	Cartage, at \$2	14	00
	1 case machinery	1	25
	12 cases machinery :		
	Storage, at \$3	36	00
	Labor, at \$3	36	00
	Cartage, at \$3	36	00
	3 cases :		
	Storage, at \$2	6	00
	Labor, at \$2	6	00
	Cartage, at \$3	9	00
	3 cases :		
	Storage, at \$3	9	00
	Labor, at \$3	9	00
	Cartage, at \$4	12	00
	1 case :		
	Storage	5	00
	Labor	5	00
	Cartage	6	00
	1 case :		
	Storage	3	00
	Labor	3	00
	Cartage	5	00
	2 cases :		
	Storage, at \$4	8	00
	Labor, at \$4	8	00
	Cartage, at \$4	8	00
		253	25

(Ex. England.)

“I find, on examination, that this bill is reasonable.

“S. P. R.

“Received payment.

“LEET & CO.,
“Per C. W. H.”]

Q. I observe this bill is dated the 12th of June, 1871.—A. Yes, sir.

Q. Now, this bill amounts to \$253.25. When were these goods landed?—A. They were landed on Saturday, the 10th of June, sir.

Q. By what ship?—A. The England.

Q. When did they go into general order?—A. On Saturday.

Q. On the same day they were landed?—A. Yes, sir. They were put from the hold of the ship in the slings right into the carts; they did not land on the dock at all.

- Q. Is this England a steamer or sailing-vessel?—A. A steamer.
- Q. Where did she land?—A. National line.
- Q. What pier?—A. I don't know, sir.
- Q. On the same day they were landed from the steamer they were sent to the general order?—A. Yes, sir.
- Q. When did you go to general order for them?—A. On Saturday.
- Q. On the same day?—A. Yes, sir.
- Q. Where did you find them?—A. I will detail to you the whole thing, if you choose.
- Q. That I would prefer.—A. I got the bill of lading and invoices, and ascertained that the ship had arrived and was at quarantine on the 5th. I got my entries all ready, except the buying of the gold, and was watching the vessel getting up toward her pier. I heard on Friday night that she was up there; so about 11 o'clock on Saturday I bought the gold, and sent up the permit. The messenger returned, saying that the vessel was discharging them right into the bonded warehouse, on the carts, and that he had stopped them, but that the bulk of them had gone.
- Q. The bonded warehouse?—A. I mean the general-order warehouse. So, he said, he had made the carts dump what they had on the docks, and some were there; the remainder had gone to the general-order warehouse. I had a lighter also waiting from the night before for them, so as to take them out of the slings of the steamer into the lighter, without any extra labor, as she is powerful in her tackles.
- Q. You had your lighter there on Friday night?—A. Yes, sir.
- Q. The ship commenced to discharge?—A. Saturday morning.
- Q. By what hour of the day on Saturday had you your permit up there?—A. Well, I sent the messenger about 11, I should judge, sir; in the forepart of the day, the morning; in the early part of the day.
- Q. Did the permit get there by noon?—A. I think that they told me about 1 o'clock; just after dinner.
- Q. And the answer to you was that they were loading your merchandise upon the general-order carts, and sending them off to the warehouse at that time?—A. Yes, but that he had stopped them.
- Q. When he got there at noon?—A. Yes.
- Q. The vessel had then been discharging since that morning?—A. Yes, sir.
- Q. What portion of them did you stop?—A. About nine packages, I think, on the dock.
- Q. What is this merchandise?—A. It is cases containing spinning machinery.
- Q. And is a good deal of weight?—A. Yes.
- Q. At that time, by noon of Saturday, had there thirty cases, by that day, gone into general order?—A. A portion of them had; the rest were laid outside on the railing, all Saturday night and Sunday, in the rain.
- Q. Was any portion of your goods sent to the general order after your permit had been there?—A. No, sir; not one.
- Q. That stopped them?—A. That stopped them.
- Q. Stopped the rest from going?—A. Yes, sir.
- Q. What portion of those stores actually went into the general-order stores?—A. About twenty.
- Q. What is the total number?—A. Thirty.
- Q. What became of the other ten cases?—A. They laid alongside the store outside.
- Q. Upon the pavement?—A. There is a railing admitting light into the cellar.
- Q. But it is outside of the store, exposed to the weather.—A. Yes, sir.
- Q. How long did they lie there?—A. Found late there on Saturday night, we could not do anything; waited till Monday morning.
- Q. When you went with your permit, were they delivered?—A. To us?
- Q. Yes.—A. As soon as I paid the storage bill they were.
- Q. Was this storage bill then presented to you for the whole thirty cases?—A. Yes, sir.
- Q. Ten of them, I understand you to say, were never inside of the building at all?—A. No, they were not, sir.
- Q. The other twenty, where were they?—A. Standing outside of the door, on the floor.
- Q. Did you present your permit to the general-order warehouse man until Monday?—A. I never presented to him; gave it to the officer on the dock on Saturday, and told him he must stop those goods.
- Q. When did you present your order for the goods?—A. On Monday morning.
- Q. They compelled you to pay storage, cartage, and labor upon thirty cases?—A. Yes, sir.
- Q. And of those ten cases were outside?—A. Yes, sir; the unwieldy ones.
- Q. Can you specify, by looking at this bill, what cases they were?—A. I cannot; they were the largest ones—the most unwieldy.

Q. Were they injured by exposure to the weather?—A. One was; and there was a side frame broken, but I don't know whether it was broken in the ship or at the store.

Q. Did it rain hard Saturday night?—A. It did, sir.

Q. And this machinery was exposed to the weather?—A. It was; cracks in the boards that protect it.

Q. Did you call the attention of Leet & Co. to the fact that they never had actually received this machinery under cover and had exposed it so?—A. Well, I was very much discouraged about the stuff being carted away and I said, "It is too bad and this machinery will get injured;" I felt down-hearted. They felt it to be a hard case themselves, and said they reduced the bill very much, but still I was not satisfied it was reduced enough.

Q. Was a bill first presented higher than this?—A. No; it was not made out till it was made out at that amount, because they were discussing among themselves what they ought to charge.

Q. Was that amount paid by you, \$253.25?—A. Yes, sir; then I noticed they charged me \$90 for cartage in, and I hired a carman for \$53, and there is seventy per cent. difference between their charge and my own.

Q. I observe on the back of it: "Check to Leet & Co., June 12, '71; check to carman, cartage, and labor to lighter, \$53."—A. That is the date I paid.

Q. England discharged Saturday, January 10, '71? Cartage charged by Leet & Co. \$90.—A. Yes, sir.

Q. Then of this \$253.25, \$90 was cartage?—A. Yes, sir.

Q. You say you had the same haul made for \$53?—A. Well, \$50 for cartage and \$3 for labor.

Q. Have you ever submitted this bill to warehousemen to know what the relative rate of storage ought to have been upon such packages?—A. No, sir; I just sent it up to the custom-house to see if they could not get it reduced, and when that was written on, I gave it up.

Q. "I find on examination that this bill is reasonable, S. P. R.?"—A. Yes, sir.

Q. Who is S. P. R.?—A. I can't tell; some of the deputy collectors.

Q. You applied to the custom-house to have this bill reduced?—A. Yes, sir.

Q. And this is the result of it?—A. This is the result; it came back.

Q. He says this bill is reasonable?—A. Yes, sir.

Q. It is suggested that "S. P. R." means S. P. Russel, superintendent of warehouses. Do you know if that is so?—A. No, sir.

Q. Can you give us any idea of what the reasonable charge for storage and labor would have been upon these goods—storage, cartage, and labor?—A. Well, I could make a much better bargain somewhere else; I am sure of that. I did in the case of the cartage. I hired the same man; when I paid him he asked me how much I paid Leet & Co. He said, "Well, all right."

Q. You had no trouble in making a bargain for \$50 for what they had charged \$90 for?—A. O, no, sir; he said, "I will put them aboard the lighter for \$50; the labor was \$3."

Q. The labor was \$3 upon the whole thirty packages?—A. Yes, sir.

Q. Who told you that the cartage was \$90?—A. I got it off that bill.

Q. I know it is on the back of the bill.—A. It is on the front also. There is cartage to every case, together making \$90. If they had been put on the dock I could have got them myself, but they were put on the cart immediately, and they were the first goods out.

Q. I observe that the charge for storage and labor upon these cases was \$5 each—over \$5 each—\$163.25.—A. I did not look at that.

Q. That would be labor \$2.50 in putting them in, and storage 2.50?—A. For letting them remain on the floor Saturday night and Sunday.

Q. And actually they left ten cases out in the weather and charged you as if they were all in?—A. Yes, sir; they left possibly nine and possibly eleven; I am guessing now; I should judge ten or eleven—not less than nine.

Q. You believe about ten of the cases were left exposed to the weather?—A. Yes, sir.

Q. And on that they charge you labor and storage as if they had gone in?—A. They charged me that bill there, sir. They are only out of pocket the cartage on that as far as I could see.

Q. You don't recollect how much the original charge rendered you by them was?—A. That is the first bill I saw, because the amounts were not placed in until after there had been a settlement between the parties in the store.

Q. Was it at first proposed to charge you more?—A. I could not say, sir; they did not have their minds made up. It was an awkward case—just half getting into store, and I complained that I was ready to take the goods myself.

Q. The labor of loading those goods upon the cart to send them back was \$3?—A. Yes, sir.

Q. When you got the goods round in the lighter and had again to unload them what did you have to pay?—A. I had my own carts and men then.

Q. You can't speak of what the cost would be?—A. Fifty dollars was a large bill there; I ought not to have paid \$50 to take them back to the lighter. That man seemed a kind of a man there that seemed to have authority to charge what he pleased, and he had a truck with a wrench.

Q. Do you believe, as a business man in New York, you could have had your cartage done for less than fifty dollars, if you now had the opportunity?—A. O, yes; give me time and I can have it done for half of that.

Q. Twenty-five dollars?—A. I think so.

Q. Have you any doubt that you could have had those packages carted the usual distance for \$25?—A. I have no doubt I could contract to do it for \$30.

Q. What labor could you have those thirty cases moved into a store and moved out of a store for, irrespective of cartage; the labor necessary to move them from the truck into the store and deliver them again on a truck; what would that labor reasonably be?—A. The tail of those trucks just came level with their door, and they had to cart or roll them, and in some cases they passed the chain over them.

Q. I wish to get at some criterion as to whether this was an extravagant bill or a reasonable bill?—A. People always expect a profit on that kind of work.

Q. Tell us what it would fairly cost, and then we will get a profit on that.—A. Well, sir, I could put it all in for \$20.

Q. Then the expense of that would be \$30 for cartage and \$20 for labor; that would be to get it in the store?—A. Yes, sir.

Q. Did that \$20 include the putting in the store and moving it out again upon the truck?—A. If it was all done at the same time it would, but not in doing it on another day.

Q. Suppose you let it lie there a week and go and get it out, what would the labor cost to deliver it?—A. I would move it out again for \$12.

Q. Then we find that \$30 for cartage, \$20 for putting it in the store and \$12 for the labor of re-delivering, would be an ample allowance?—A. I think so, sir.

Q. That would make a total of \$62?—A. Yes, sir.

Q. What would be a fair charge for a month's storage of those thirty boxes if they had gone in?—A. Well, they were very large, and it would be very high storage.

Q. State what you consider would be fair.—A. Well, I think \$3 apiece for the first month would be little enough for any of them.

Q. That would be for the thirty, \$90?—A. Yes, sir.

Q. Then we have \$62 for the other expenses, which would give a total of \$152 as the full charge; and instead of that, you paid \$253.—A. Yes, sir.

Q. And a portion of the goods were left out doors, and charged the same as if they had been sheltered?—A. Yes, sir; those were the worst pieces to put in.

Q. And the worst pieces for you to leave out, too.—A. Yes, sir. There was no trouble in getting them from the steamer on to the carts.

Q. Is this your whole connection with the general-order business?—A. That is the only one. I shall try to be ahead next time.

By the CHAIRMAN:

Q. Were the nine or ten cases which were out on the side of the building under the care of Leet & Co. while they were there?—A. Well, yes, sir. They were not such a light thing as anybody could steal away. They were lying against their building on the railing; it is a railing that reaches from the sidewalk to the building to give light to the cellar.

Q. But the cases were in the charge of Leet & Co.?—A. Yes, sir.

Q. Can you tell me whether or not it is the custom of those who receive storage to charge for packages which are under their care whether they are in the building or not; do you know what the custom is?—A. I do not know what the custom is, but I would have charged for that the same as they did if I had them in my care.

By Mr. BAYARD:

Q. I also understand you to say these goods have been taken away from the ship's side immediately, by noon of the day she arrived, so they had them there half a day, and still did not put them under cover?—A. I guess when those pieces got up they thought we would be sending for them very quick.

Q. They were in their custody a day at their store, and they did not shelter them?—A. O, yes; they were in all Saturday night and Sunday.

By Mr. PRATT:

Q. What time did the vessel arrive in the harbor?—A. On the 5th of June.

Q. At what time was the vessel entered in the custom-house?—A. On the 6th, sir, or 7th, at the most.

Q. The vessel, then, was entitled to discharge her cargo immediately on her arrival at the pier?—A. Yes, sir.

Q. Because more than forty-eight hours had expired since her entry at the custom-house?—A. If she had gone to her pier she would have discharged.

Q. Consequently, if your permit was not there at the dock at the time the vessel was unloading, your goods were entitled to be sent as unclaimed goods to the general-order, were they not?—A. I believe that is the custom, sir. I don't know how many hours they give you. If they had given us two hours we would have had them—two or three hours at the very outside.

Q. I understand that to be the rule, that if forty-eight hours had elapsed after the vessel was entered at the custom-house?—A. But she was down the harbor. She did not get down until Friday night, and opened her hatches on Saturday morning.

Q. When you produced your permit on the dock I understand you to say about two-thirds of your cases had been sent to the general-order store?—A. Yes, sir; fully that.

Q. And the remaining cases were hauled to the store, I understand you to say?—A. O, some were left in the vessel; some were in the ship yet.

Q. That are charged in this bill?—A. No, sir.

Q. I speak of all the cases that are charged in this bill?—A. They were either in the store or lying outside.

Q. Then what you complain of is, first, that these cases were not all put inside of the store-house, and, in the second place, that the charges are unreasonable?—A. Yes, sir; and I rather complained to their taking them away so quickly. It seemed to me unusual. It did not seem a breath from the time she got at her dock and I sent up the permit till they were gone.

Q. Did Leet & Co. have anything to do with these goods, or was it the custom-house cartman that was taking them away?—A. That I could not say.

Q. Have Leet & Co. any control over custom-house cartmen?—A. I would not like to repeat insinuations of cartmen; I have no knowledge myself.

Q. Then you have no knowledge that it was by instructions of Leet & Co. that these goods were hurried from the dock to their store?—A. I have not, sir.

Q. Did I understand you to say that you think a reasonable storage on cases of the size of yours would have been at the rate of \$3 a month?—A. Yes, sir.

Q. In point of fact are not a part of the storage charges in this bill put at \$2?—A. I did not look at that.

Q. You will now run your eye over that bill and see whether, in point of fact, about one-half the storage charges are not placed at \$2 a case, some at \$3, and a few at \$4, and one, perhaps, at \$5.—A. There are twenty-one at \$3, two at \$4, and seven at \$2.

Q. Do you know what control Leet & Co. have over the charges which the custom-house cartmen makes for hauling goods to their store?—A. No, sir.

Q. Let me repeat the question, have Leet & Co., as the keepers of a general-order store, any control whatever over the charges of the carman for carting goods to their store?—A. I understood from this carman that he had the doing of the business, and nobody else could do it.

Q. Do you not know that Leet & Co. pay the carman his charges for cartage, and make no profit on that item at all?—A. No; I don't know that, sir. I don't know how he and the carmen settle.

Q. You have spoken about the weight of your cases. How heavy was the heaviest?—A. I can't tell, sir; but they were very heavy.

Q. It would require, then, a large amount of labor to handle them?—A. Yes; I had to pay extra labor to cart them over; I had to pay \$3.

Q. You had to hire extra labor?—A. Yes; to assist the carman. Leet & Co. delivered it at the door for us.

Q. Could you give us about the weight of your packages?—A. I could not, sir; they are exceedingly heavy.

By Mr. BAYARD:

Q. Taking up what labor you found there, you paid \$3 for the whole extra labor on the thirty cases?—A. Yes, sir.

By Mr. PRATT:

Q. Extra labor to your carman?—A. No; the carman said, "I will do the carting for \$50, and you provide the extra labor;" and I hired labor at 40 cents an hour, and when the rain was not too heavy, I went at it. I think I gave them 50 cents an hour; they asked forty.

By Mr. BAYARD:

Q. I understood you to say that you feel reasonably sure that you could have the same carting done for \$30 that you were charged \$90 for?—A. In the open market, with plenty of time to let me go find a man.

Q. If you had time now to go down and see carmen in the city of New York, could you readily have that amount of cartage that Leet & Co.'s carman charged you \$90 for done for \$30?—A. Yes, sir.

By Mr. PRATT:

Q. You say Leet & Co.'s carman; have they any carman?—A. I mean the carmen.

By Mr. BAYARD:

Q. That was probably my mistake. I mean the carman that did it.—A. Yes, sir.

Adjourned to 7½ o'clock p. m.

EVENING SESSION.

JAMES M. THOMPSON sworn.

By Mr. BUCKINGHAM:

Question. What is your business?—Answer. I am a United States weigher.

Q. How long have you occupied that position?—A. About one year.

Q. Do you know anything about freight that was landed from the ship Vesta on the 22d of December?—A. Yes, sir. I know that the ship Vesta discharged soda-ash and pig-iron.

Q. What else?—A. That was about all her cargo.

Q. What was the first article you named?—A. Soda-ash.

Q. Were any of those goods sent away without being weighed?—A. Not to my knowledge.

Q. What means of knowledge had you?—A. Sometimes I am called away from the pier, either by business in my office or at the custom-house; and, of course, my foreman attends to that matter, to see that everything is properly weighed which is necessary to be weighed. A. Never; none.

Q. Do you weigh everything?—A. We do, with one or two exceptions.

Q. What are the exceptions?—A. The exceptions have been soda-ash and bleaching-powders.

Q. Why don't you weigh the soda-ash?—A. We do, as a general thing. Of course, once in a while the piers are so fearfully crowded with merchandise and trucks that it is impossible to get at every package; and in that case we take the weight which is marked upon the end of the cask. In weighing these casks, we find, as a general thing, the weight marked upon the cask is actually one or two pounds more than our weight, from the fact of loss by evaporation, and loss in other directions in moving.

Q. Have you a man by the name of More in your employ?—A. Yes.

Q. What is his business?—A. His business is to take charge of the office, take charge of all the tools, keep them clean and in order. He sees all the goods weighed in the warehouse which come for the purpose of export. All those orders he attends to in the warehouse. Besides, when I have occasion for him on the pier for an extra scale, he takes that wheel on the pier. Besides that, he takes returns to the custom-house. Further, he goes to the merchants to secure the tare on the various goods which we weigh, which is in accordance with the rules. When it is necessary to take the actual tare, he takes the actual tare, by dumping out the goods.

Q. How much of the time is he employed?—A. He is employed ten hours sometimes; sometimes six hours, sometimes eight, and so on through the week.

Q. How much do you pay him?—A. He has forty cents an hour.

Q. Have you ever paid him more than at the rate of forty cents an hour for the length of time employed?—A. No, sir; never.

Q. Have you had him on your pay-roll for some length of time?—A. He has been employed there since I took the office, with the exception of about a week or ten days.

Q. Do you know of any instance where he has been absent, and still drawn his pay?—A. No, sir.

Q. You would know it if he had?—A. I would; for the reason that when the time is made out by my foreman I always take particular pains to examine the time-book, to see that no man gets any more time than he makes.

Q. What do you know about the election held by the Townsend republican organization of the twenty-first assembly district; were you present at that time?—A. I was.

Q. How many men in your employ were there?—A. I can't tell exactly how many, but all that lived in the district were there. There are quite a number of men working for me who live in the district, and are members.

Q. How many should you think?—A. Well, there might be, I think, eight or ten, altogether.

Q. Do you think that includes all?—A. I think it does.

Q. What influence did you exert, or endeavor to exert, over them, in order to have them vote what you call right?—A. None, particularly; only ask them to support a ticket which was headed by William Howe, jr., for president of that association.

Q. What do you know about keeping men out of the room during that organization and after?—A. I have no knowledge of any gentlemen being kept out of the

room, sir; there was no disturbance; it was the most peaceable primary election, and the most fair, that I ever attended.

Q. Was it made peaceable by the use of clubs or anything of that kind?—A. I saw no clubs there in any possible direction, and have no knowledge that any such thing was the case, which I doubt very much.

Q. Do you know Philip McGuire?—A. No, sir, I don't.

By Mr. PRATT:

Q. Were you present at the time the Vesta was unloaded?—A. A part of the time.

Q. Was there any of the soda-ash belonging to the cargo that was not weighed?—A. So far as I am informed, by my foreman, there was some of it where the weight was taken from the end of the cask, for this reason: the men Callahan and Riley were at work on a job on the ship Princetown, and when that was finished they desired to go to work on the bark Vesta as regards the weighing of the pig-iron. It is usual for the weighers, if possible, to save all the labor expense to the Government they can, and in this case a barge laid alongside the bark, and the iron came over the side of the bark on the deck of the barge. The bargemen gave me two men to assist, besides the stevedore, which was a great advantage to them in saving labor if it is put upon dock; in that case I only employ two men with my beam, together with the man weighing, making three. When the job was finished on the Princetown, these men, Callahan and Riley, came to the bark Vesta and desired to go to work with a gang, making up four; that would give me seven men to work on that scale, which was unnecessary; and I did not put them to work, for the reason that it would be a saving of \$8 to the Government; and these men took offense because Mr. Riley informed them I would not put them to work, and, at the instigation of a man named James Elliott and a man named Nugent, they quit work, and in consequence my foreman had hard work to get two men to help. These men went off and left Mr. Riley in the lurch as to weighing the goods. It may be necessary to state that men cannot easily be got in such a case. The longshoremen will not work for United States weighers, for the reason that they are only wanted for an hour or so, while they may lose two days' work in helping to load a ship. That is the reason the longshoremen will not help the United States weighers; and it was a hard matter to get men to work for the reason of these men striking as they did, and creating this insubordination. As often as my foreman has asked men to work when we have been hurried, they state they will do it to aid Mr. Thompson; and that is the reason Mr. Grinnell was forced to take the weight from the ends of the casks.

Q. Was no part of the casks weighed?—A. Yes; the greatest portion was weighed.

Q. State the proportion weighed.—A. The greatest portion was weighed.

Q. Have you got a statement of the number of casks that were weighed?—A. Yes, sir, I have. In the cargo on board the Vesta there were chemicals, four hundred and twenty-eight casks, and there were probably out of that fifty or sixty where the weights were taken from the ends of the casks in consequence of the insubordination of these men.

Q. How is it with regard to the iron that constituted a part of that cargo? Was that all weighed?—A. That was all weighed; always so.

Q. Do you always weigh sugar?—A. Yes, sir.

Q. Have goods, as a general thing, been passed without weighing, in your district, to any considerable extent?—A. No, sir.

Q. Does soda-ash vary much in weight or is it pretty uniform?—A. It is uniform so far as the weight is marked upon the end of the cask. You may weigh one hundred casks and find those one hundred casks do not vary a pound or two one way or the other from what is marked upon the cask.

Q. How is it as to the bleaching-powders?—A. Just the same.

Q. Do you ever pay men for more time than they are actually engaged in work?—A. No, sir.

Q. Do you ever divide your gang of men with the city weigher and charge the Government with the full number of men?—A. No; never.

Q. Do the merchants sell on your weights?—A. They sell on the weights returned to the custom-house, I presume.

Q. Who is the harbor-master in your district?—A. Captain Ellis.

Q. Do you ever make payments to harbor-masters as inducements to have them send cargoes to your piers?—A. No, sir.

Q. I will ask you to state whether there has any gambling ever taken place in your office?—A. That I want to state about. There has been no gambling in that office, to my knowledge; and the only knowledge I ever had of a card being in the office was one rainy afternoon, when I came quickly into the office about 4 o'clock, I found four or five of these men all at once shoving the cards down to hide them away. I at once told those men that that must not be done again at that office, and I told them that it was a public office, and the thing must not be done in that office. I then questioned my clerk about the matter, and he stated to me that that was the only occasion, and

they played cards on that day to pass away the time, in consequence of it being stormy. I told him it must not occur again in that office.

Q. Have you ever made assessments on your men for political or other purposes?—

A. I never made an assessment; but I did ask them to contribute something toward supporting the organization to which they belonged in any district—Callahan, Elliot, and Riley. I told them it was optional whether to subscribe or not; but I thought it was a duty to do something toward sustaining the party which gave them their living. I hold it to be religiously right in my estimation.

Q. What, if anything, do you know of your men attending primaries with clubs?—

A. I have no knowledge of any men connected with my office, or employed under me, ever going to a primary election with clubs.

Q. Did they ever, with your sanction or approbation, go to these primaries with this sort of persuasive arguments?—A. No, sir; I never requested them or advised them or counseled them.

Q. Do you know Mr. Palmer, who was at one time assistant appraiser and afterward appraiser?—A. Yes.

Q. He makes the following statements in his testimony, to which I call your attention: "While I was assistant appraiser, having charge of the damage department, and supervising, as far as possible for me to do personally, a matter of damage to be allowed in regard to goods damaged on the voyage of importation, I met Mr. Thompson, and he said to me that I had one of the best offices under the Government in the city. I told him I did regard it as a very important office and that the salary was not very large. He said that was a small matter. He said that the amount that could be obtained by giving liberal allowances of damages would be a good deal more than the salary; in fact, that I had better begin to make hay while the sun shone; and if I would arrange with him, and let him go to the merchants and importers and arrange with them he would divide with me the amount that could be obtained. I told him that I did not desire to listen any further to that kind of proposition, and left him." Now, I will ask you to state what are the facts in relation to this conversation between you and Mr. Palmer.—A. I know of no conversation in that direction; and I positively and emphatically, and without reservation, declare the statement made by George W. Palmer untrue as regards me; and willing to appreciate the position I am in before you gentlemen, not only to be punished here, but to be punished in the courts. I state, in the presence of my God and these witnesses, that I never made such a proposition to George W. Palmer. [Applause.]

Mr. CASSERLY. This is the first exhibition of this sort of thing we have had here.

The CHAIRMAN. Any applause of that kind will be followed by expulsion from the room. I shall be very sorry to do it, but it will be necessary if it is repeated.

Q. I will ask you to state what, if anything, Mr. Palmer ever told you in relation to keeping two certain men in Palmer's employment.—A. When Mr. McElrath was the appraiser he very kindly appointed two men for me; one who had served his country as a soldier and the other, of course, an excellent citizen—one named McLean and the other Thomas Breckenridge. Mr. McElrath appointed those two men. When Mr. Palmer came into the appraiser's office, active in the party as I was, I called upon him at the request of these gentlemen to ask him to retain them. I asked Mr. Palmer if he would not retain these two men for me. He referred to his book of appointments, and found my name opposite to them. He said to me, "Mr. Thompson, you may give yourself no uneasiness; they shall be retained," and they were retained.

Q. Will you state to the committee whether you were harbor-master under Governor Fenton at the time he was governor of the State?—A. I was appointed harbor-master by Governor Fenton at the solicitation and request of my senator, William Laimbeer, jr., of the sixth senatorial district.

Q. Were you acquainted with Governor Fenton? Did you know him personally?—A. Most intimately. I was his devoted friend politically.

Q. Did you notice Mr. Greeley's testimony as to your change from Fenton over to Conkling?—A. I did. Mr. Greeley, in his statements, has made a great mistake.

Q. State what are the facts.—A. The facts are these: I was out of business one year, and was appointed in the custom-house after that, at the request of the Hon. George Opdyke, by Mr. Murphy; and in 1870 I was a member of the county central committee here, and when the divisions came in our party, or misunderstanding of Governor Fenton and President Grant, a great portion of Governor Fenton's friends went over to the so-called Tammany party or Tammany republicans. I, in that county central committee, took sides with Mr. Murphy and his friends and with General Grant's friends. Mr. Greeley states that I was passive in the custom-house, or otherwise had gone over to Conkling. Mr. Conkling I have known longer than I have known Governor Fenton. I have always been a friend of Senator Conkling, and if I was in a position to serve him I would do it; but my position—living in this part of the State, and he the upper part, I never had the opportunity to serve him politically or otherwise; and when Mr. Greeley states that I, for the sake of holding my position in the custom-house, was passive, or that I had recently gone over from Fenton to Conkling, he makes a great

mistake, for I have cut loose from the Fenton men, and since 1870 I have had nothing whatever to do with them. I should like to call the attention of the committee to one charge made against me, that I never paid over the money of members of the association. I desire to present the receipt of the treasurer of the association, together with the letter of the secretary of the association, testifying that I paid over the money.

[The clerk read receipt and letter as follows:]

"Received, New York, December 12, 1871, from Mr. James M. Thompson, \$27.50, making a total of \$307.50, being the amount collected by him as a member of the finance committee of the Twenty-first Assembly District Republican Association.

"S. H. KNAPP,
"Treasurer."

"NEW YORK, January 16, 1872.

"I hereby certify that, at a regular meeting of the Union Republican Association of the Twenty-first Assembly District, of the city and county of New York, held at Müller's Hall, corner of Third avenue and One hundred and nineteenth street, on the evening of the 9th instant, the report of the finance committee was announced, and that there appeared the names of James Riley, James Elliott, and Patrick Callahan as having subscribed the sum of \$5 each, respectively, to the funds of said association, and said sum of \$15 was duly accounted for by the then chairman of the finance committee, James M. Thompson, esq., to the treasurer, Stephen H. Knapp, esq., and that said report of the finance committee, and also the receipt of the treasurer, is duly recorded by the association on the evening of the 9th day of January, 1872.

"BENJAMIN PAGE,
"Secretary pro tem. of the Twenty-first Assembly
"District Republican Association."

Q. Did you ever employ any coercion, duress, or other improper influence to the men in your employ to induce them to make contributions of money for political purposes?—A. No, sir.

Q. Did you ever threaten them with dismissal or loss of services?—A. No, sir.

Q. Did you ever dismiss a man because he failed to make a political contribution?—A. No, sir.

FIFTH AVENUE HOTEL, NEW YORK, January 29, 1872.

GEORGE D. GALE, sworn, testified as follows:

By Mr. CASSERLY:

Question. What is your business?—Answer. Importer of dry goods, satins, cloths, and ribbons.

Q. What is your house?—A. A. De Graaff & Co.

Q. Are you acquainted with the general-order system as it now exists and has existed for the last twelve or fifteen months?—A. Yes; I have had some experience in it.

Q. In what light do you regard its workings; are they beneficial to commerce and the mercantile community and to the consumer, or otherwise?—A. I don't like the way, for my part, they are fixed now. They are not as good as they used to be. I prefer the old *régime* better than the present; very much better.

Q. What experience have you had in general-order systems at this port; how long an experience have you had in general-order systems—the different general-order systems in New York?—A. I have had for some years. For some six or seven years I have given my particular attention to it.

Q. And you consider the present general-order system does not compare favorably with those which preceded?—A. I like the old system very much better.

Q. How do the rates under the present system compare with the rates under the old system?—A. They are very much higher.

Q. State how much higher.—A. Our goods most generally come by the Hamburg and Bremen line, and frequently by the Cunard and Mr. Dales and Mr. Hurst's line. We have had our goods from the Hoboken stores, and we never paid more than \$1 for large packages and 75 cents for smaller ones. In case they went under general order subsequently to that, we paid from \$1.50 to \$2.50.

Q. Per package?—A. Yes.

Q. Did the charges at the Jersey City and Hoboken general-order stores which you have mentioned include cartage?—A. To their store?

Q. Yes.—A. Yes, sir; but not cartage to our store. Neither of these included cartage to our store.

Q. Starting at the same point?—A. Starting at the same point the whole would not cost more than the general order does now, cartage and all, for that matter, or very little more.

Q. In other words, starting from the vessels at Jersey City, for instance, the whole expense of the package placed in general order, and from there to your store, would cost very little more than putting it into general order does now?—A. Yes; very little more. I don't think it would cost as much.

Q. Give us some figures on that.—A. In former days there was a firm named Keys, Dean & Co.; they rode from the ships, and also to our store until we got our own carts. We never paid them over 75 cents a package for riding; and, if they were small cases, not so much. For instance, some cases would contain ten pieces of satin in a case; and, if it went under general order, which was a very unusual thing in Hoboken and Jersey City, we never paid more than 75 cents for it; and, if it was a large package, a dollar.

Q. That is for the whole general-order charge?—A. Yes; and likewise with the cartage business. So we have put up with it; and I have been insulted because I made an objection to it; and I was before the committee before, and stated the case to Mr. Patterson and Mr. Sheldon.

Q. Where were you insulted?—A. Our goods were brought to 371 and 378 Washington street, the store which Luther Horton had and which was then occupied by Leet & Co. There was a bill made out for a small package of satins which came by the Parthian for \$1.50. I objected to paying it, on principle; and they said I should not have my goods. I consulted Mr. Jayne, the deputy warehouse collector, and he referred me to Mr. Sherry. I told Mr. Sherry what I had been in the habit of paying, and he said, "Do you think twelve shillings will be too much?" I said, "I want you to understand this thing; I am doing it upon principle, and I am going to establish a rate for this cartage if I possibly can." Mr. Sherry struck off 25 cents, and I took it up to that store in Washington street; I went there myself in person. I said, "I came for my goods; I am going to pay you only \$1.25." The young man said, "I don't propose taking anything of the kind." I said, "25 cents has been deducted by Mr. Sherry." He said, "What do we care for Mr. Sherry. We don't care for Mr. Sherry; we are going to have \$1.50; and if you have not got 25 cents, I will make you a present of it," (putting his hands in his pockets,) saying it in the most insulting manner. I said, "Perhaps you need that as much as I do; if you don't now, you may some time; you had better keep your 25 cents young man, and a civil tongue in your head."

Q. Was this at the Washington street store of Leet & Stocking?—A. Yes.

Q. What was the size of that package?—A. I think there were ten pieces of satin in the box; perhaps the box was two feet square.

Q. Could a man take it up in his arm and carry it?—A. Yes; I think he could; I could, very easily. Then there was a petition got up among the merchants, and I believe there was about ninety-five who subscribed to it. I was requested to take the petition to Mr. Grinnell, which I did. I went into Mr. Grinnell's office.

Q. State the purport of the petition.—A. The petition was to get the general order back to the Hoboken and Jersey City stores?

Q. Get it restored?—A. Yes. The reason was given by the merchants that they were very much incumbered by the present state of things and it was desirable to have it returned to the general-order stores at Hoboken, in Jersey City. Mr. Grinnell at first refused to speak to me. I said, "Mr. Grinnell, if you don't pay some attention to me, I don't know but I shall have to go on to Washington to see about this." After some little conversation, he at last asked me to take a seat. I sat down and talked to him on the subject. He took—I think it was three pencils or pens, and laid them together. He said, "We understand this business perfectly well. Here are the steamships on the other side, and here are the owners in this city, and here are the warehouses; how easy it is for them to go and take things out of the cases and put other goods into them." I said, "Mr. Grinnell, that is rather a sweeping charge to make against a company of that kind, that are under heavy bonds." He said: "What do we get when we send our goods to the Atlantic dock? Nothing but the refuse of some poor, miserable things—old clothes." I told him that he must remember that those steamships bring most of the emigrants; and, then, a great many clothes have been taken away on the railroads, and they may leave some of them there, and of course they are compelled to be put under general order. After some conversation, Mr. Grinnell said, "There is no use in talking any more. I am bound to protect my party; so there is no use saying any more about it;" so I bid him adieu. I understood that the petition was forwarded to Washington. The consequence was, Mr. Boutwell shortly afterward wrote a letter, desiring those things to be done, to which Mr. Grinnell paid no attention.

Q. Do you know of a similar letter written by Mr. Boutwell under the administration of Mr. Murphy, when he was collector?—A. I do not.

Q. There was no reform made, however?—A. There was no reform at all.

Q. Did you ever know of any loss at the general-order stores?—A. We never had a loss, to my knowledge, since 1867.

Q. Are there any other disadvantages in the present general order system?—A. Lately it has been much better than it was formerly. At first there was a great deal

of confusion; we had a great deal of difficulty in getting our goods, but latterly I don't know that we have had so much trouble. But it is a great deal more to our advantage in every way to have our goods as they were before; we are put out a great deal by it. For instance, here is a vessel that comes in here. I can give you one case: We had, I think, seven or twelve bales of cloth come by the Queen. I went past her dock at 5 o'clock in the afternoon. My permit was there, and I walked away. At half-past 11 the next day everything was under general order. The vessel was not at her dock that night, as I understood from a gentleman, until 7 o'clock in the evening. The next morning, at half past 11, every one of our goods were at Leet & Stocking's store.

Q. Although you had your permit out in the afternoon preceding?—A. Yes; but the vessel was not there. As a matter of course, I thought, as she was not there at half-past 5, she would not go into general order at 11 o'clock.

Q. How is that brought about?—A. I don't know how it is brought about, but it certainly is brought about in some way.

Q. Is there any way?—A. I could not tell, because I don't know it personally. I am only going to say what I know myself—not from hearsay.

Q. Do you know of any mode, by collusion or otherwise, by which goods would be hurried into the general-order stores?—A. I do not.

Q. Have you ever heard of such a thing?—A. I have heard such things talked about.

Q. Upon what ground of public utility can you explain such a proceeding as you have just described?—A. I don't know any, without it is a collusion between the carmen and the warehouse.

Q. A collusion to do what?—A. To move these goods. The very moment a vessel strikes the dock—the moment she gets into her dock—she goes under general order—everything on board; the very moment she gets in the dock she is under general order. I have had cases given up to me by officers for nothing. I have never paid them for it. I have merely stated to them, "It is a pity that these two cases" or "that one case should go under general order when we are here in time." He said, "I will see if it is on the dock; if it is not on the cart, I will see if I can save it for you," or something to that effect.

Q. He granted you that indulgence?—A. Yes. I must say I have received a great deal of consideration from the inspectors in that way. They have always, as a general thing, been polite to me.

Q. Is there any unnecessary promptitude on the part of the carmen of the general-order stores in hurrying off the goods?—A. I have had my cases on their carts. I have seen them going out.

Q. Did you have your permit there at the time?—A. I had my permit in my hand. They would not stop.

Q. They were carted off before your face?—A. Yes; I have had that done.

Q. Are the goods that come to the general-order stores marked or designated in any way?—A. I believe they are, with a piece of chalk put on the top of the cases. Those that are for general order are marked in a general-order way, and those for public stores are marked "P. S.," which, I think, I have noticed very frequently.

Q. Was there ever an instance in your case where the goods were carted off to the general-order store, although you had your permit before they were put upon the cart and after they were marked general-order?—A. I could not answer that question. I have not seen it. I will state one thing. If we had forty-eight hours after our permits, it would give us, perhaps, sufficient time to get our goods. Our entries do not sometimes come in time to be made out, so that we can have them down at the custom-house, and, under those circumstances, they would run in under general order.

Q. Do I understand you to say that the order of sending off, dispatching packages, the duty-paid goods first, the warehouse goods next, and then the general-order goods, is not observed?—A. I have seen general-order goods ridden first, and I have been to the public store when public-store goods were standing there.

Q. I understand the rules prescribed by the collector of the port, from time to time, have invariably provided that general-order goods should be the last to leave the dock?—A. I have always found it not so. That is all I have to state on that subject. I have invariably found that general-order goods were the first that were ridden, as a general thing. I have noticed that particularly. When we could not get our public-store goods down to the store, the general-order goods would be ridden. When the store was in Hoboken there was nothing of the kind done. If the goods were put in the bonded warehouse—if we came in any reasonable time—I believe the gentleman, whose name was Leonard, would always give us the permit if we came within less than forty-eight hours, or perhaps that time. I don't know that he showed me any more favor than any one else. He was a perfect stranger to me. Under these circumstances, I preferred the old system.

Q. You consider, in that respect also, the old system was very much better?—A. I consider it in every sense of the word better.

Q. Look at rule 11th there in that printed paper, and, I think, you will find it prescribes this order as I state it.—A. There is no use in looking at rules, because I have this order in my office. If they reverse that, I think they will come near the actual practice.

Q. What is the object of that?—A. I don't know what it is, except to make the merchants pay money to the general-order store. That is the only thing that ever I can imagine it can be for. That is what I meant to infer when I speak in that way.

By Mr HOWE:

Q. Mr. Gale, if you get your goods as cheap through the general store on this side of the river as you can get them through the general order on the other side of the river, would you or not as soon have them in the former way as the latter?—A. Well, sir, I don't know but that I would.

Q. Then your great objection to the operation of the general-order stores on this side of the river is the increase in the expense?—A. That is one reason. We feel more safety on the other side, because we have always been treated properly. The members of the house, as a general thing, are Germans, and, under those circumstances, we get along so well on the Hoboken stores. We get the goods quicker and better, in every sense of the word, on the other side. We never have been detained half an hour over there. Our carmen never staid an hour to get them out.

Q. The members of the house are Germans?—A. Yes, sir.

Q. And the owners of the Hoboken docks are Germans?—A. Yes, sir.

Q. And you feel more friendly to them than to Leet & Stocking?—A. No, sir; I do not.

Q. Do you feel more friendly to them than you do to Leet & Stocking?—A. I have no unfriendly feeling toward them.

Q. Have you no friendliness toward the other?—A. No, sir. I do not know them except seeing them in their office when I go there. That is the only thing I know about them.

Q. You say over there you are subjected to no detention?—A. No detention, sir.

Q. On these warehouses have you been subjected to detention?—A. Yes, sir. There is one man, however, that is always particularly kind. We have been detained there, and sometimes the carman had to come there twice to get his goods. When that store was opened, everything appeared to be upside down, and carmen were compelled to get out their goods, which was a great detention to them. They had to take them out themselves. There was not sufficient help to get them out in a proper manner. No, I do not know how it is lately, I must say. I had some bills by one vessel. I got a bill of 10 shillings, lately, and I was surprised. The last bill was rendered by a gentleman in this room, who charged me \$1.50. It was less by 25 cents than another one in the same week.

Q. It was rendered by a gentleman in this room?—A. Yes, sir.

Q. You say when these stores were first opened there was a good deal of confusion?—A. Yes, sir.

Q. Was this soon after the business was transferred from Mason's stores to theirs?—A. Well, I don't know when that took place. That was in Washington street, where the defalcation took place; I think it was some time after that.

Q. That business was transferred to them rather suddenly, was it not?—A. I don't know, sir, how suddenly it was transferred, but they were in operation before that, I believe. I don't know that ever I had occasion to go there, though.

Q. How long is it since you have been subjected to delays at the present stores; I mean to reasonable delays?—A. Lately I don't know that I have been delayed so.

Q. Then delay is no longer an abuse here. Now about the charges at the Hoboken stores, and the Jersey City stores. You say your charges for storage were from 75 cents to \$1 per package?—A. Yes, sir.

Q. Never more than \$1?—A. Never.

Q. Was there anything added to that sum for truckage?—A. Not a cent; that was all that ever I was charged, and they were very large cases, indeed, when they were charged \$1.

Q. What were your charges for cartage from these docks to your store?—A. From 4 to 6 shillings.

Q. And never more?—A. Never more.

Q. The extreme of their charges then were \$1.50; from \$1.25 to \$1.75?—A. Yes, sir.

Q. Now your charges?—A. They are over \$1.50. We pay about the same cartage now from their stores to our store.

Q. Now your charges in these stores are how much?—A. From 12 shillings to 20 shillings. We have got bills lately made out. One of these gentlemen now looking at me made bills for 10 shillings and another for 12 shillings.

Q. The same kind of goods?—A. Exactly.

Q. Your last charge is \$1.25?—A. Yes, sir; which I was entirely satisfied with. I was not satisfied with the other.

Q. Your highest charge is \$2.50 ?—A. Yes, sir.

Q. When was that, Mr. Gale ?—A. I cannot exactly tell you without reference to books that I have got.

Q. Did that charge cover simply the cartage to the store and the labor and storage ?—A. That is it, sir, and nothing more.

Q. Was that charge on an ordinary package of goods ?—A. Such a package as we have been paying \$1 for in Hoboken.

Q. Not larger ?—A. No, sir. We never paid more than \$1 there.

Q. How much of that was cartage and how much storage and how much labor ?—A. I understand that two packages constitute a load, and sometimes three, and sometimes more, if they are small packages.

Q. On these packages on which you paid \$2.50 ?—A. I suppose they would be one load. I have heard from the carmen that they ride in their stores from three to four packages; if they are very large only two.

Q. Did not your bill indicate how much of that identical charge was cartage ?—A. No, sir; they make out the bill in this way: It is a very unusual thing for them to put the name of the firm, but they put the amount of goods, and the number and the name of the vessel; they put the number of the cases; there are no marks of cartage, storage, labor, or anything of that kind.

Q. But there is one sum mentioned ?—A. Yes, sir; that is all.

Q. So you cannot tell how much storage and how much labor ?—A. No, sir.

Q. Have you paid more than one bill of that kind ?—A. Yes, sir.

Q. Where the charge was \$2.50 ?—A. Yes, sir.

Q. How recently did you pay a bill of that kind ?—A. I suppose it is three or four months.

By Mr. STEWART:

Q. Has that package been opened in the public store ?—A. No, sir; they do not pay for riding to the public store; to their own store is all that they pay for riding.

Q. When it goes from the public store to their store ?—A. It did not go there; it is never taken to the public store until the duty is paid.

By Mr. HOWE:

Q. Did you make any protest against the payment of \$2.50 ?—A. I found, when I laid the matter before Mr. Patterson and Mr. Sherry, there was nothing about it, and I knew that there would not be.

Q. Were these charges made before you and Mr. Patterson ?—A. These were subsequent charges to those I made a complaint about. There was nothing done in them. Instead of putting the charges down they gradually went up; perhaps they will charge us \$10 a case by and by.

Q. When did they charge you on this case of satins \$1.50 ?—A. It was in the case of the Paphia.

Q. Then you went to the custom-house and remonstrated against that charge ?—A. Yes, sir.

Q. And they ordered a reduction of 25 cents ?—A. Yes, sir.

Q. But when subsequently they made a charge of \$2.50 you thought it useless ?—A. What was the use in going to the custom-house and making these charges, when, in the former charges, we could not get anything done? We had to pay \$1.50; but when it was brought to Colonel Leet's notice he sent me word there was 25 cents waiting there for me; but he gave it to me himself, at the store, subsequently; he came to the store and gave it to me.

Q. Since the simple presentation of this matter at the custom-house did get you a reduction of 25 cents on a charge of \$1.50, had not you the best of reasons for believing that if you appealed to the custom-house the charge would be reduced from \$2.50 ?—A. I had not, sir, from the fact that I appealed before between these two. There was no notice taken of it.

Q. When was that ?—A. I could not tell the date.

Q. What was the charge against which you appealed ?—A. The charge was that the goods were being charged too much upon.

Q. You went to the custom-house with that complaint ?—A. Yes, sir.

Q. To whom ?—A. Mr. Sherry. Mr. Sherry had gone there. I was referred to some other gentleman there.

Q. You presented him the bill ?—A. Yes, sir; and I said the charges were too much.

Q. What was the bill ?—A. I forget now, and I cannot tell you how much. I said, "There is no use in doing anything; this will never be rectified."

Q. You do not remember when that was ?—A. I cannot tell you the date, sir. I have some two or three times been there since that. There was a gentleman by the name of Terwilliger, to whom I was directed; he would be out when I called, and my business called me away; I could not wait for him, and so I would let it slide. I got tired of this kind of business, and I came to the conclusion that if we were to be sacrificed we

would take it as easy as possible. After taking this petition from these merchants to have this thing changed, what was the use of running there and losing my time? That is the reason, sir, that I did not go again; that is the only reason that I can give for it. In some offices they suppose that a man has nothing to do but wait upon them. My time is as valuable, perhaps, as it is to them, because I have to neglect my business in the store.

Q. Do you mean to be understood that Secretary Boutwell directed the storage to be returned to the docks on the other side of the river?—A. Yes, sir; I understood that. If I understand myself in reading the letter he advised Mr. Grinnell to take it back again. It was the desire of the merchants. Every one was complaining. With the exception of Elliott C. Cowden, Jackson, and Stewart, there was not a man who did not put his name down to that.

By Mr. CASSERLY:

Q. You are speaking of the merchants' memorial?—A. I am speaking about the petition to have the general order returned to Jersey City and Hoboken.

By Mr. HOWE:

Q. You gave me to understand that you saw the letter of the Secretary of the Treasury?—A. No, sir; you misunderstood me. I saw it in the paper; and I had heard that Mr. Grinnell had a letter of that kind in his possession.

Q. It was a letter, then, that you saw in the prints?—A. Yes, sir.

Q. Do you recollect the date of the letter or the time?—A. I do not. I think it was subsequent to the committee having been on here before. You will find I have given evidence in that very case.

Q. See if that is the letter to which you refer. [Hands witness the letter.]—A. I think that is the letter. It does not appear to read exactly as I understood that letter read, somehow or another. I can very easily get the date of the time that that memorial was presented to Mr. Grinnell, and I can make—

Mr. CASSERLY. The memorial, as printed to the report, is here.

The WITNESS. I never called on Mr. Murphy on the subject.

Q. Suppose you look at that and see if it is the same you refer to.—A. I think there were signatures.

Q. There are a hundred signatures there.—A. Then this must be it, sir.

[The following letter was then read:]

“NEW YORK, *October 20, 1870.*

“We, the undersigned, merchants of the city of New York, hereby desire to represent to the honorable collector that several months ago, on their petition presented to the Government authorities through the courtesy of the Hon. Moses H. Grinnell, then collector, a thorough investigation was instituted by the officers of the United States Treasury Department into all the circumstances and facts bearing upon the question of the continuance of the general-order business at the bonded warehouses on the New Jersey shore, at the piers of the Cunard, Bremen, and Hamburg lines of steamships.

“We, the undersigned, having then expressed a preference for the continuance of that business at the piers mentioned, and having taken great pains to present to the honorable Secretary of the Treasury and to the late collector the reasons for such preference, were gratified when apprised by the official letters of the honorable Secretary, under the dates June 1 and June 9, (letters, copies of which are annexed,) that the request made in the interest of commerce was not inconsistent with the security to the Government.

“Since the honorable Secretary has advised compliance with it we now most respectfully renew our request, and rely upon an immediate restoration to the consumers of this port of this essential feature of convenience and economy.”

[Signed by a hundred names.]

Mr. HOWE. That is subsequent to the date of this letter.

The WITNESS. There was a letter written from Mr. Boutwell to Mr. Grinnell that is subsequent.

Mr. HOWE. This is June, 1870.

The WITNESS. And the other is October. The letter I have referred to is subsequent to that petition, I think—to the presentation of it to Mr. Grinnell. I never called on Mr. Murphy with the petition. I gave it up as a gone thing.

By Mr. HOWE:

Q. Did not you know that Mr. Grinnell went out of office soon after the date of that letter?—A. I knew it, sir.

Q. And the letter to which you refer was addressed to Mr. Grinnell?—A. I am quite confident there was a letter of that kind addressed to Mr. Grinnell. It was worded, perhaps, a little different from that, but it was suggesting the propriety of the general order being restored to the other side of the river.

Q. Did I understand you now that was the letter or was not?—A. I don't know whether that was the letter or not. I think it was worded different.

Q. I understand you to say that that was the letter.—A. It may be, but I think it was worded differently.

By Mr. CASSERLY:

Q. There are two letters there—one is first of June, and the other is the ninth of June.—A. It was on the subject of the restoration of the general-order business to Hoboken and Jersey City.

Mr. HOWE. Mr. Boutwell made his report on 11th July, 1870; that was after Mr. Grinnell had left office, was it not?

WITNESS. That might have been the letter, then, I have reference to, but I was under the impression it was worded a little different from that. I think that might be the letter.

The following letters were then read:

“TREASURY DEPARTMENT, *June 1, 1870.*

“SIR: Upon a full consideration of the papers relative to the storage of goods upon delivery from the vessels of the foreign steamship companies, I can see no valid objection to the use of the stores upon the company's piers, if these stores can be placed under the exclusive control of the officers of the customs. By this I mean that the officers of the vessels, and the subordinates of every kind shall be excluded from these store-houses. In fine, the store-houses upon the piers are to be treated and managed precisely as other store-houses are treated and managed, and the proprietors of the steamships and their servants to be treated by the store-house keepers precisely as all other persons are treated. Should the managers of the steamship companies consent to this arrangement I see no good reason why the business of the storage cannot be restored to the warehouses on the piers.

“Very respectfully, yours,

“GEO. S. BOUTWELL,
“*Secretary.*

“Hon. MOSES H. GRINNELL,
“*Collector of Customs, New York.*”

“TREASURY DEPARTMENT, *June 9, 1870.*

“SIR: In reply to your letter of the 6th instant, inclosing remonstrance from Messrs. Oelrichs & Co., Kumhardt & Co., and Charles Francklyn, esq., relative to their bonded warehouses at Jersey City and Hoboken, I have to say that I can see no objection to the storage of general-order goods in these warehouses with the present proprietors, under the restrictions contained in my letter of the 1st instant. I intended to exclude the officers and subordinates of the vessels employed by the steamship companies, but the proprietors of the warehouses, though interested in the steamships, may have custody of the houses, subject to the check of the store-keepers appointed in the usual manner.

“A sufficient number of reliable custom-house officers must be assigned to each of the aforementioned warehouses at the expense of the proprietors, to secure the safe custody of all merchandise deposited therein. With this protection I am unable to perceive why ample protection to the Government will not be secured. I return herewith copies of the remonstrances as requested.

“I am, respectfully yours,

“GEO. S. BOUTWELL,
“*Secretary.*

“Hon. MOSES H. GRINNELL,
“*Collector of Customs, New York.*”

WITNESS. That last letter, that is the one I have reference to.

By Mr. PRATT:

Q. When the Cunard and the German lines had the general-order business upon the other side of the river were their warehouses under the exclusive control of the officers of the customs, or otherwise?—A. I understood there were custom-house officers appointed and we could not get our goods unless checked by the officers in the office. There were two offices, one kept by the store-keeper, Mr. Leonard, who was very different from the gentleman who checked our goods. I think one of these gentlemen is now in the custom-house, Mr. Cartwright; I forget the last gentleman's name. I understood they were attached to the custom-house in New-York.

Q. Were any of the officers of the vessels, or the subordinates of these steamship companies employed about the warehouses?—A. No, sir; I never knew them to be. I speak from actual observation, for I was over there a great deal, importing matters

through these lines. Sometimes I would have twenty-six and twenty-seven cases, as I had to-day.

Q. You stated that you felt safer when your goods were stored in these warehouses on the other side of the river than since they have been stored on this side?—A. Yes, sir.

Q. Have you known any losses to occur?—A. I think the store safer by being by itself.

Q. You consider the fire department of Jersey City more thorough than that of New York?—A. I do not; but there are no surroundings to the store.

Q. Are there no buildings in that neighborhood?—A. Not in the immediate neighborhood of the Cunard line of steamers.

Q. How near is the nearest building?—A. Well, I should think it was as far as from here to the park on the other side.

Q. About how many rods?—A. I should think the nearest building to the Cunard steamers is 500 feet, and then that is a building I think which is pretty much alone. There may be two buildings there, I don't recollect.

Q. In point of fact, have you known any accident by fire to any general-order store?—A. No, sir; but we feel safer there.

Q. Are the rates of insurance any higher upon the general-order stores on this side of the river?—A. I don't know, sir; that is a part of the business I know nothing about.

Q. Are you in the habit of insuring goods?—A. We have a person who attends to that work.

Q. You insure them while they are under general order?—A. Yes, sir; we have a floating policy of insurance.

Q. Do you pay any higher rate of insurance since your goods have been stored on this side of the river than on the other side?—A. I have never paid attention to that kind of business. I cannot answer that correctly.

Q. Do you know what precautions Leet & Stocking have against fire?—A. I don't know anything about it. I know nothing except having the bills and having the goods passed out. I generally get the bills and pay them.

Q. You understand by general-order goods unclaimed goods, do you not?—A. Yes, sir.

Q. Goods for which no owner makes an appearance?—A. Yes, sir.

Q. They are, therefore, in the custody of the Government, for the time being, until the owner comes forward and makes a claim and pays the duty?—A. Yes, sir; and then if these goods are burned up the United States Government comes to us for duties, whether we have got them insured or not.

Q. Since they are thus under the exclusive care and protection of the Government, why should they not be sent first from the dock to the general-order warehouses, where they will be safe?—A. Because there are goods lying on that dock which are dutiable goods if sent to the custom-house. There are warehouse goods, also, and that is another. I think both of these reasons are good.

Q. Does not the Government owe a duty to the owner of these unclaimed goods that they be put as speedily as possible in a condition of protection?—A. The docks where they are landed are pretty well protected. I don't believe they could be better protected in Leet & Stocking's store. I have never known any pillage of any kind there.

Q. You speak of a case where, before a vessel struck the dock, her entire cargo had gone under general order. What case do you refer to?—A. Let me explain that. A vessel may be coming up or may be lying out in the stream, and in the custom-house they will put up, for instance, such a vessel under the general order 7 o'clock such a day. That vessel would not come into her dock; 7 o'clock this morning she may be in the stream, and there is a general order in the custom-house.

Q. Do you mean by that the vessel has entered forty-eight hours before she touches the dock?—A. I do not know how many hours she has been entered. I have heard, but don't know it from my own knowledge, that vessels when they were coming up were entered for general order when they were as far down as the Narrows even.

Q. Do you know that to be a practice?—A. I have been told so, but I don't know.

Q. Who told you?—A. Parties in the custom-house.

Q. What motive should there be for doing that? What motive is there for sending them to general order before they are sent to the public stores?—A. That we pay duties on them.

Q. Do you understand it as an inflexible rule of law that after a vessel has been entered at the custom-house, if forty-eight hours expire, that should the owner of the goods come on board with his permit, that it is an absolute rule that the goods shall be sent to the general-order store as unclaimed?—A. I understand that in many cases vessels touch the dock, and if it is night that she goes out under general order, and they ride out that same night. That is what I mean you to understand.

Q. Do you understand that to be the rule?—A. After forty-eight hours, it used to be the rule. After I went to the business I never thought of it.

Q. Have you ever known that rule to be violated, and goods to be sent under general order before the lapse of forty-eight hours after the vessel has been entered at the custom-house?—A. I don't know what time they enter at the custom-house; but if you speak from the dock, I should say, most emphatically, I have known it.

Q. What was to prevent you from getting your permits all the time, within forty-eight hours after the vessel was entered at the custom-house?—A. I don't know at what time she was entered there. Sometimes a vessel coming to-day our goods will be on to-morrow; another vessel comes in, and she will have our invoices and bills of lading for this vessel. Is that what you mean sir? Is that what you want to arrive at?

Q. Your invoices, of course, come with the vessel?—A. As a general thing, they do, sir.

Q. If the vessel lay at quarantine, what is to prevent you from going aboard and getting your invoices?—A. There is everything to prevent me. In the first place, I would not be allowed by the health officers; and, in the next place, I would not have any right to do it. When she comes to the dock, I expect to have my permit on board of her.

Q. Would not you be allowed to come on board the vessel until she touched the dock, though you had your permit in your possession?—A. I do not think I would be allowed. I think there is an express law to prevent people going on board vessels.

Q. Would not the mails coming off bring your invoices?—A. I don't know but what they would. I suppose as a general thing they would. I could not go on board and take the goods from on board of her.

Q. Do you understand that the keepers of the general-order warehouse make any profit upon the cartman's charges?—A. My dear sir, I cannot say a word about it. I don't know, and I would not say what I don't know.

Q. You understand that, in point of fact, when goods are brought to the general order, Leet & Stocking pay the cartman's charges, do you not?—A. I suppose, of course, they pay their charges; I don't see how it can be otherwise. When the officer puts the goods on the cart, he counts every package on the cart. There is a person on the dock to do that. I don't know how many only from what I have heard. I don't know how many packages are on the load. These are immense large trucks, which take five or six loads, perhaps, at a time.

Q. Now, in the items of charge that you have complained of, which is the principal cause of complaint? Which charge, that for cartage or storage or labor?—A. The general charge; the whole of it. I don't separate the charges of one from the other.

Q. Are they not separate in their bills?—A. No, sir.

Q. So that you have no means of knowing what is charged upon one thing and what upon the other?—A. No, sir. When one of these gentlemen was in the store, sometimes he used to put on cartage; there is no such thing put on now. There is one charge made for the whole affair.

Q. Did you ever ask for their separation?—A. No, sir; they are their charges, and we are bound to pay them. They have got our goods; we want them badly, and we must have them if they cost \$50.

Q. Their books ought to show how much they charge for storage, labor, and cartage.—A. I don't know how they keep their books. I have never seen a book in their establishment.

Q. You never made application to these gentlemen to separate their charges?—A. I never did. It was sufficient for me to know I had to pay a certain sum of money to get my goods.

Q. Do you know that in point of fact they charge no higher for storage than the Cunard line charge?—A. I tell you what we used to pay there.

Q. I spoke of the item simply of storage?—A. I don't know anything further. It is rather an unusual thing now for our goods to go under the general order, because we are careful to avoid such sweeping charges, but sometimes with all our care they go there. You can't do everything in a moment.

Q. I understand you to say that while the general-order business was up on the other side of the river you never made any payment for cartage or truckage upon your packages?—A. Never a cent. I never was asked anything of the kind.

Q. Do you know what would be a reasonable charge for cartage from Hoboken and Jersey City to the general-order stores on this side of the river?—A. No, sir; I have heard the carman tell, but I cannot now say what it was.

Q. Have you been through these stores upon Washington street and Leroy and West streets of Leet & Stocking within the last year for the purpose of ascertaining what arrangements they had for the speedy delivery of goods?—A. No, sir; I very seldom trouble them.

Q. I understand you to say you had no cause of complaint?—A. We had not any cause of complaint about the delivery of the goods, but I impute this to the gentleman who is with Leet & Stocking more than to any one else. I told our carman to speak to him and he would get his goods quicker.

By Mr. CASSERLY:

Q. It is a sort of personal favor to you?—A. I think he would do it for any one. I regard him as a very clever young man. I don't know that he would do it quicker for me than for anybody else.

Q. For any stranger?—A. I have made the demand of him and he has done it for me. I told the carman to go to a certain party there and he would attend to it.

Q. When an importation includes ten or more packages of the same class of goods what officer of the customs designates the number of packages to be sent to the public store?—A. The deputy collector.

Q. In examination?—A. Yes, sir; for instance, if they are all of one kind of goods.

Q. What officer designates where the packages go?—A. The deputy collector always, sir.

Q. Which deputy collector has so much authority?—A. All of them, sir; Messrs. Morris, Gaylor, Eldridge, Embree, &c.—one of these four; they always. In entering the goods in the first place after you have paid your duties, or before paying them, you go to the collector with the entry and the invoice attached. He then passes the goods and marks off on your permit such goods as he designates to go to the public store. After you had your entries passed you cannot pay the duties until the deputy collector has seen your entry and the invoice. He then lays the entry before him with the permit. He looks the invoice over, and if there is a variety of goods, silk and cotton goods, he signs one of each to that if they are all of one invoice, but if there is a single case it goes to the public store. It rests with him, if there are two, to send them to the public store or not. In making out our invoices we always sign them at the bottom, our place of business 66 and 68 West street. I have had our carts to ride them and I have the words "O. C." (owner's cart,) but I most generally send over our cart when the vessels are discharging and bringing the goods over. But I have laid on the dock the goods left by our carman for three days on the Hoboken dock, and they have been there when he has gone for them. So you see the security. I feel entirely secure under those circumstances. The docks are all inclosed. They have proper watchmen there to take care of the goods, and we have never in one, instance lost a single thing.

Q. The point I want to direct your attention to is the question of the designation of the number and the selection of the package taken to the examiner's store in the case of ten or more packages of the same class of goods in one importation?—A. Yes, sir.

Q. I understand you to say that it is a discretion to designate how many packages, and which package or packages, out of every ten, shall go to the appraiser's store?—A. Just so.

Q. How many does he generally designate in ten?—A. About one, I should think. If there are ten of one kind on any invoice, he will pick out one. If there are two on that invoice, he will pick out one of the two. If there is only one, that must be sent there.

Q. I had no reference to the case of a single package in one invoice, or two packages, but where there are ten or more in the same invoice.—A. He generally takes one out of the ten.

Q. Is there no room for collusion in such a case as that between the officers and the merchant?—A. I cannot conceive how it can possibly be.

Q. Suppose in such an importation twenty packages of the same class of goods, apparently entered as the same class of goods, bore upon the outside of the package the same marks and numbers, and yet one package which did not properly represent the remainder of the goods and their value, what is to prevent the deputy collector selecting that fraudulent package in each for examination in the public store?—A. There is this, sir, he has the invoice lying before him; we will say it runs from one to ten. He might hit on either. If you ask the collector to send a certain package, it would be the very one he would not send to you.

Mr. CASSERLY. That is, of course, if he is an honest man.

WITNESS. I have never come across a man that would do that.

Mr. CASSERLY. I don't say so, but isn't there a danger of such a thing?

WITNESS. I only speak of such a thing as I know of.

Mr. CASSERLY. You don't mean to say, as an old merchant, if there is such a thing as a dishonest importer—

WITNESS. I mean to say that we don't do business in that way.

Mr. CASSERLY. I don't suppose you do. I am sorry that you consider it necessary to say that, because you don't understand me. But suppose the case of a dishonest importer; such a thing has been, I suppose?—A. I don't know, sir.

Q. And suppose the case of a dishonest deputy collector; I don't mean to say there is such a thing. And suppose by an understanding of a dishonest importer and a dishonest deputy collector a particular package is to be designated out of every ten. Is there no room for fraud in that case?—A. Well, I would not suspect a man of being so. I don't know but what it may.

Q. The question is whether it is possible.—A. It is possible.

Q. Because you know there is a difference among men who have examined this question as to the proper mode of examining and appraising goods, whether our mode or the English is the better one. The English is to send every package to the appraiser's store. Have you any opinion to express on the subject; do you think the present mode the better one?—A. I don't find any fault with that part of the business at all, sir.

Q. Then you have no opinion to express on that point?—A. None.

Q. A fraudulent collusion is possible in such a case?—A. I suppose it may be.

Q. And it is difficult of detection?—A. I think it would be found out sooner or later. I shouldn't like to try it.

Q. Did you present to Mr. Grinnell the same memorial of the merchants in favor of the restoration of the old general-order system which was afterward presented to Mr. Murphy?—A. I never called on Mr. Murphy. I don't know whether it was presented to him or not. But I think it is the same.

By Mr. PRATT:

Q. The question is whether this general-order business should be given to these three particular importing lines, rather than be extended to all importing lines?—

A. I think the warehouses are more convenient for them. They can be put in there quicker. There is not the same trouble in getting them that you get anywhere else. I am decidedly in favor of going back to the old rule.

Q. Could not steamship companies land their goods on this side of the river and provide themselves with warehouses?—A. I suppose they could. I am speaking only of our own goods. We get very few goods except by the Hamburg & Bremen lines.

Q. The Government should fall back on this old system, whether there should be any discrimination whatever between these foreign lines?—A. I don't understand you, sir.

Q. My question is this, whether the Government should make any discrimination in favor of these particular lines, if these importing companies are to be allowed to store general-order goods. I mean these importing companies across the river. Why shouldn't those who import their goods and land them here have the same privilege of storing their general-order goods?—A. I don't see any objection to that, but goods coming in by their lines, I think it is very much better. I have never said a word about goods landed on this side, if we get them on as reasonable prices. You may think 25 cents is nothing, but this thing is done from principle. It is not the 25 cents we care about, it is the general fleecing of the merchants, that they are all complaining of. We feel as if it is fleecing us—taking the head right off of us.

Q. There was the same general complaint of fleecing when this general-order business was held by these companies across the river?—A. No, sir.

Q. Did you hear any complaints against them?—A. No, sir; I never did.

Q. If the charges upon this side of the river were reduced down to the rates that were formerly charged by the German and Cunard lines, would these complaints cease?—A. I should give them the preference if they had it, most decidedly.

Q. Why?—A. For very many reasons. One reason is, I would sooner pay the ferriage of the carman over. I think it is their due. They have been put to very great expense by putting up those warehouses. That is one reason. In the next place they are particularly accurate in all their business, and we can get our goods at a moment's notice. As often as one cart turns away, another comes in and we get our goods like clock-work. I have seen it myself. I have stood there and wondered at it, to see how quickly goods were put down.

Q. Were goods delivered at their warehouses more speedily than now by Leet & Stocking?—A. Very much more speedily than they were delivered. I don't know how it is now. Formerly the cartman had to assist in taking out the case.

FIFTH AVENUE HOTEL, NEW YORK, *January 24, 1872.*

PETER RAFFERTY, sworn, said:

By Mr. CASSERLY:

Question. There was a letter received by me, which I submitted to the committee, in regard to what Mr. Rafferty could state as to sales of unclaimed goods, and perhaps some other point. Are you of 77 Henry street?—Answer. Yes, sir.

Q. Have you had anything to do with the auction sales of unclaimed goods from the custom-house?—A. Yes, sir; in 1869, some time in August, I think on or about the 21st, there was a sale advertised. I went there with many others besides me. The first article I bid on was a box about six feet long, four feet wide, twenty inches deep, and said to contain English printed matter. The auctioneer was Mr. John A. Draper. He demanded a deposit of \$10, which he got.

Q. You mean before putting up the box?—A. Right in the auctioneer's room. The auction sales were in Mr. Draper's place, somewhere in Water street. I forget the number. I bought various things there.

Q. Speak about the box first; was that put up at auction?—A. Yes, sir. I think it went to \$11.50.

Q. Who bought it?—A. I did.

Q. What took place then; when did you make the deposit that you speak of?—A. Right there.

Q. Directly the box was knocked down to you?—A. Yes, sir.

Q. Have you any complaint to make about the sale of that box?—A. When it was taken home, or when it was delivered and opened, there was nothing in it whatever, except bundles of straw. I have got samples of it at home yet.

Q. You didn't find any English printed matter in it?—A. None whatever. There were a few envelopes, which were directed to some custom-house officials, dated the 12th of September before.

Q. In the box?—A. In these bundles, wrapped up there, was the name of Colonel Burt on them. I bought over \$100 worth there, and I have got it in court now pending a suit.

Q. Were the contents of this box entirely worthless?—A. Not worth one cent.

Q. What was the next thing you bought, of which you have any complaint to make?—A. A bag said to contain fifty-eight pounds of English down feathers.

Q. Did you buy that?—A. Yes, sir.

Q. What did you pay for it?—A. Thirty-two dollars.

Q. Did you make a deposit?—A. No, sir.

Q. Did you pay for it subsequently when you took it away?—A. Yes, sir; afterward.

Q. How did that turn out when you took it home and examined it?—A. It turned out very much as the other did, only it contained rags as well as straw and rubbish of different sorts.

Q. Did you find anything addressed to any one in the custom-house in that bag?—A. No, sir.

Q. That was utterly worthless?—A. Yes, sir.

Q. What was the next thing you bought that turned out badly?—A. A box marked "T" on the catalogue. I asked the auctioneer if that meant tea, and he replied by saying, "Do you understand English?" I said sometimes he spoke so fast that I could not understand him. He said it contained tea, but when delivered it was tea-totally empty. It did not contain anything whatever.

Q. What did you pay for that box?—A. I think it was \$5.50.

Q. What was the next article you bought that turned out badly?—A. The next article was a cask of rum, said to contain fifty gallons.

Q. What did you pay for that?—A. I am not positive whether it was \$34 or \$36.

Q. When you took that home and examined it, how did it turn out?—A. Seven and a half gallons by gauge and measurement.

Q. Instead of fifty-two gallons?—A. Yes, sir.

Q. What did you pay for it?—A. I am not positive; it is either \$34 or \$36. My counsel has got the receipt.

Q. Anything else you wish to speak of which occurred to you at that sale?—A. I bought ten thousand cigars at \$12.50 a thousand. I did not take them, for I have seen others who bought cigars, and when they were delivered to them there were some of them empty and some of them were full of cigarettes. These I did not take. They held my deposit, though I bought all the goods separate.

Q. Is there anything else that occurred to you there?—A. There was a roll of matting, said to be English stamp matting, but when it was delivered it turned out to be nothing but grass matting.

Q. Was that covered up when you bought it?—A. I did not see it at all, sir; it was in the store-house; the sale was in a different place.

Q. Were all the goods at some other place away from where the sale took place?—A. Yes, sir.

Q. Is there anything else that you wish to speak of?—A. I don't remember; there were other articles of small value.

Q. What was your loss on the matting?—A. I would give it for \$10. O, the matting, it cost me \$9.50; it was valueless; I have got it yet.

Q. Does that sum up all the purchases you made there of which you complain?—A. Yes, sir.

Q. And the total cost was how much?—A. It is over \$100. I made efforts to see the collector, but I could not see him. I then had a friend of mine to go with me, and he did not get in to see him. A letter was then sent to the collector stating the facts, but we could not see him. He then advised me to put it in the hands of counsel, and took a man with him who looked at the things and made a valuation of them. I sued for the balance in the marine court. It was never left come to trial, but was removed to the United States courts, where it now remains.

Q. The total was \$100. What were they worth?—A. I would give them for \$10.

Q. You deposited \$10.—A. That they kept.

Q. Why did they keep it?—A. I suppose to compel me to take these cigars. I thought I was safer in losing my deposit than doing so.

Q. Was that sale by catalogue, in the usual way?—A. Yes, sir.

Q. In what month was it?—A. In August.

Q. Of last year?—A. Eighteen hundred and sixty-nine. I tried to get this paper so as to be certain of dates, but I could not. The editors of the Sun published all the sales. All the other papers had something of it. It was an out and out fraud of the first quality.

Q. Look at that catalogue of the sale of last December, and see whether the catalogue for the sale of which you are complaining now was like that generally?—A. It was something of the same kind, sir.

Q. Have you been a purchaser at any of the other sales?—A. No, sir; I never went there since or before.

By Mr. BAYARD:

Q. Did I understand you to say that they handed catalogues of that kind among the audience?—A. I have had them sent to the house. They were distributed through the city some weeks before the sale.

Q. Had you an opportunity of inspecting the goods at all?—A. No, sir.

Q. Did I understand you to say that the packages of goods thus sold are not present at the place of sale?—A. No, sir; the sale is in one place and the goods are delivered from another.

Q. Describe precisely the mode of delivery. Take the first case which is described in the catalogue as containing printed matter, and on which they required a deposit of \$10. You paid \$11.50 for that; when did you pay the remaining \$1.50?—A. The day after.

Q. When did you get the box delivered to you?—A. The day after—in the afternoon.

Q. Was it then you first saw your purchases? When it was delivered to you, you first saw it?—Yes, sir.

Q. Was there any examination of the case made at the time, at the custom-house, in your presence, before they delivered it to you?—A. No, sir; it was opened there first.

Q. After you paid for it, and there the exposure of the fraud took place?—A. I went in the afternoon where this sale was, paid the remainder of the money on each article, and got a receipt. I was informed by a gentleman not to take the cigars, as they were a fraud. I paid for them all except the cigars. I thought to count in this \$10 I gave as a deposit, but it was held back. I thought it was better to lose that money than take the whole of the cigars.

Q. There was a box of tea; was the number of pounds specified in that in the catalogue?—A. No, sir.

Q. Was it weighed before delivered to you?—A. No, sir; it was in fact a box; it was such a box as you would have figs or fruits in.

Q. It was not an ordinary tea-box?—A. No, sir.

Q. But it was catalogued as a box of tea?—A. Yes, sir; I took pains to ask the auctioneer if it was tea.

Q. You bought a cask containing liquor. Were the number of gallons there stated to be so, as you stated?—A. Yes, sir.

Q. And when delivered to you it was found to contain seven and a half gallons?—A. Yes, sir; moreover, on the second hoop from the chime, on the barrel—I had it in the house—I kept it to see if it would ever come to a suit. The barrel was lying dried up, and went to pieces. Now, on the second hoop there were five five-eighth augur-holes, as if a hoop was started back without interfering with the bung.

Q. Did you buy the rum by the cask, or was it so much a gallon?—A. It was thirty-four dollars for the cask.

Q. Was the sale you witnessed there conducted on the principle of the measurement of the case by the gallon, or was it selling it by the bulk as it stood?—A. The catalogue stated that everything was sold by weight and gauge.

Q. Then I understand you it was delivered to you without being gauged?—A. Yes, sir.

Q. Was the tea weighed?—A. No, sir.

Q. Nor did you buy it by weight?—A. There was nothing in it.

Q. Nor did you buy it by measurement?—A. No, sir.

Q. Then if things were put up for sale—a cask of liquor, without seeing how much was in it, and there was no weight or measurement, you just bought it by the cask?—A. The catalogue said, "We give weight and measurement for everything."

Q. You didn't buy the tea at so much a pound?—A. No, sir.

Q. You didn't buy the rum at so much a gallon—A. No, sir.

Q. Were there many other casks containing liquids, or boxes containing tea or other matters sold before you in the same way that these were?—A. Yes, sir.

Q. Did you ever attend other sales at all?—A. Not there.

Q. Did you ever attend other sales of unclaimed goods in the custom-house?—A. No, sir; I thought one was sufficient. The papers guarded the public against going there.

Q. What other case do you know?—A. I have seen other parties purchase boxes said to contain sewing-machines and machinery, but they contained only old iron.

Q. Was it on the catalogue a sewing-machine or machinery?—A. Yes, sir.

Q. Was it machinery?—A. No, sir.

Q. What other case have you known of that kind?—A. I have seen liquor sold that was said on the catalogue to contain forty-two gallons, and when measured did not contain more than four or five. There was several suits commenced at the same time about that sale. This was only one sale. There were numerous others of the same kind.

By Mr. CASSERLY:

Q. You say there were several persons taken in as you were on that sale?—A. Yes, sir.

Q. Were they mostly men of small means?—A. A good many of them, sir.

Q. To whom the loss was quite an object?—A. Yes, sir.

Q. Was this loss an object to you?—A. I never had anything in my life but a hard day's work for a living.

Q. Have you a family?—A. Yes, sir.

Q. And, I presume, you could ill afford to lose this \$100 at an auction-sale of the custom-house?—A. I was after being in the navy-yard, and got hurt, and was laid up eleven months at the time. I fell off of one of the vessels, and was sick in consequence.

Q. Were you still unable to work when you went to that sale?—A. I was unable to work or even speak. My face was all broken.

Q. I presume your object was to make a little money out of the purchases that you made?—A. Yes, sir. I had a few hundred dollars saved up and I thought if I got into some dealing I would go on. I was advised to go there by parties whom I saw at the sale afterward. On the public stores, where they deliver these things, there was a man there—a Jew man, I think—who seemed to be a stranger there as well as myself. He got wild about the goods when he looked at them, and he ran out, and while out part of his things were put away.

Q. What do you mean by putting them away?—A. They were put one side, and when he came back he wouldn't get them. This Colonel Burt, who had his finger off, said if he wouldn't take them he would throw them on the street; some refused to take them. I was one of those.

Q. You found some auger holes in this cask of rum; were they easy to notice, or otherwise?—A. They looked as if the hoops were started back. It appeared as if different parties went there, for if it was one man he would have gone to one hole.

Q. Do you suppose that the liquor which was taken out of the cask was stolen through these auger holes?—A. That I could not say; but it looked very much like it. I don't know what other reason they had for having them there. They were on the top part of the barrel. One of them was in the same stave as the bung was in.

Q. Which usually is the upper side of the cask?—A. Yes, sir.

Q. And you say you had \$200 left, and this sale stripped you of about half of it?—A. A little over. I laid out over \$100, and I got some other small things not so valueless. The feathers, the printed matters, and the rum were the biggest fraud of any. The feathers were nothing but rags and dirt, and the straw was like European straw.

Q. The cask was said to contain fifty-two gallons?—A. Yes, sir.

Q. And it contained seven and a half?—A. Yes, sir.

Q. Was there any difficulty in ascertaining how much was in the cask? Could it be ascertained by any person—if it was handled before the sale would not the weight of the cask, if handled by any person in the custom-house, show that there was not fifty-two gallons in it?—A. Decidedly.

Q. Could you have detected it at once if they allowed you to see it?—A. Yes, sir.

Q. Had that package which was said to contain English down feathers been really what it was described, what would be the value of it?—A. I could not tell, sir, exactly. I understood it would be worth over one dollar a pound.

Q. How many pounds was it said to contain?—A. I think seventy-two or eighty-two. I did endeavor to have the receipt of the things here, but the way they do things in those courts I don't understand; especially when they get a man who knows nothing about it they let the case slide. There was a receipt of the catalogue and a copy of the Sun paper, which the exposure was in, and I gave them to the counsel and have never seen them since.

Q. Is there anything else of custom-house matters which you wish to state?—A. Nothing else; that is all I know.

By Mr. STEWART :

Q. When was this?—A. In August, 1869. I think about the 21st of August.

Q. Do you know where the cases have been kept before the sale?—A. They were kept in the bonded house in Stone street.

Q. Who kept the bonded warehouse?—A. I don't know, sir. There was a man in charge by the name of Colonel Burt.

Q. Was it a general-order store?—A. I could not tell that. It is where the custom-house unclaimed goods are.

Q. How long had these goods been on hand before they sold them?—A. I don't know of my own personal knowledge. I was told it was every six months. Every six months they have the sale. I don't know how long they keep them. It is impossible for a working man like me to see the collector.

Q. This was in August, 1869?—A. Yes, sir.

Q. Who did you try to see?—A. Mr. Grinnell.

Q. These suits are in the United States courts and have not been decided?—A. No, it has not been decided. It came up before Judge Curtis, in the marine court, and there was some mistake in the manner there in which the complaint was put. It came up the second time before Judge Gross in the marine court, and when the case was proceeding he was served with a notice to remove it to the United States court.

By Mr. CASSERLY :

Q. In what do you understand your case is now?—A. The United States court.

Q. That little case was transferred to the United States court?—A. Yes, sir.

By Mr. PRATT :

Q. You have enumerated six packages you bought, and paid for, all except the cigars. How many other packages did you buy besides those enumerated?—A. I think only one or two small matters.

Q. Did they turn out fraudulent like the rest?—A. I think they were worth about what I paid for them.

Q. How long had you seen this catalogue before the sale took place?—A. About a week.

Q. Was it a catalogue similar to this?—A. Somewhat similar.

Q. You had seen it some days before the sale?—A. Yes, sir.

Q. Did you ever make any application to inspect the articles to be sold before you should bid on them?—A. No, sir.

Q. Did you ever go to the public store to see the packages?—A. No, sir.

Q. Did you know whether they were opened for inspection to all who contemplated bidding?—A. I think they were, in a kind of way, sir; but the parties told me they were merely showed along, and they were not allowed to open anything. They were showed a barrel or a box, but were not allowed to open them. A friend of mine said, "You are as wise by the catalogue as if you went there."

Q. Did the catalogue by which you purchased contain the same conditions of sale that I now read to you: "Payments to be made in current funds, and no deliveries until full payment is made. Deposits will be required at the option of the auctioneer. All articles sold by weight or gauge are to be weighed or gauged by United States weighers or gaugers. The description of goods in this catalogue is intended to represent them upon their importation, and no allowance will be made for any deficiency or discrepancy that may be found therein." Do you remember whether the catalogue you had contained the same conditions?—A. I don't see the slightest difference. It is the same. Everything was sold by weight or gauge.

Q. Didn't this clause excite your apprehension: "And no allowance should be made for any deficiency or discrepancy found therein." Didn't you pause and ponder on that?—A. No, sir. In the first place I thought it was a poor place to go to look for fraud, and if there was any honesty at all it is there I should look for it. I had that opinion at that time, but I have a different one now.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

The committee met at 11 o'clock, pursuant to adjournment, when proceedings were resumed.

GEORGE J. WOOD, a witness, being duly sworn, testifies :

By Mr. STEWART :

Question. What is your occupation?—Answer. I am a clerk in the National Steamship Company.

Q. With the company?—A. With the company.

Q. Do you know a clerk by the name of Bissell?—A. I do not know as I know him by that name. Do you refer to the clerk of Bromfield & Co.?

Q. Yes, sir.—A. I do; but I do not know him by name. I know him to be their custom-house clerk.

Q. Did you ever have any transactions with him?—A. No further than to take care of his goods when requested.

Q. Did he ever pay you anything for taking care of his goods?—A. He has never paid me a cent.

Q. Has his firm?—A. His firm has.

Q. How much?—A. Five dollars.

Q. How taking care of them?—A. By letting them remain in the ship, and not bringing them out and making them subject to general orders.

Q. You are not a customs officer?—A. No, sir.

Q. You have been?—A. I have.

Q. When?—A. Three years ago this April coming I was removed.

Q. Were you a customs officer at the time you received these sums?—A. No, sir.

Q. What steamship company was this?—A. The National Steamship Company.

Q. Did you have any conversation with Bissell about it?—A. No, sir; only he asked me about the goods on the ship, and wanted me to take care of them.

Q. You did it?—A. I did to the best of my ability.

Q. Where did you get the money?—A. From the house.

Q. It was paid there?—A. Yes, sir.

Q. Did you see Mr. Bissell when you went to the house?—A. No, sir.

Q. Did you tell him what the arrangement was?—A. No, sir; I had no claim upon them. They made no price; they gave the money to me voluntarily.

Q. How did they know when you went to the house that you were the man?—A. They have always known me by reputation there on the dock, more or less.

Q. What is the name of the firm?—A. Bromfield & Co.

Q. Is there any inspector on the dock by the name of Wood, or Woods?—A. No, sir.

By Mr. PRATT:

Q. By what ship did these goods come for the care of which you received this \$5?—A. I cannot tell; there are many ships I try to take care of, but no particular ship.

Q. But you spoke of a specific \$5 which you received?—A. I was in there, and they gave me that for my favors.

Q. My inquiry is, what vessel you were paid \$5 for looking after this freight?—A. They were the Spain and the Egypt.

Q. What time did this occur?—A. I think the Spain in the month of December or November, I am not positive which. The Egypt was in the month of January.

Q. Do you mean by that that you received gratuities for taking care of goods which came by each of these vessels?—A. No, sir; that is all I received for both cases. But they were not general-order goods; they had not come out.

Q. I wish to know by which vessel, the Spain or the Egypt, the goods came for which you received this gratuity of \$5?—A. I say in both cases.

Q. You received a fee in both cases?—A. But not a fee on both, but a fee for the two.

Q. Did you ever represent yourself as an inspector?—A. No, sir; never since I have been out of the department. I have when I have been in the department.

Q. How long since you were in the custom-house service?—A. I was removed three years ago, in April.

Q. You didn't represent to this young man from Bloomfield & Co. that you were an inspector?—A. No, sir; but I am at times called an officer, being connected with the business, and they think I am still in the department. I sometimes correct the impression, and sometimes I do not. I have frequently on the dock been approached as an officer.

Q. Were these goods subject to general orders at the time you agreed to look after them?—A. I did not agree to look after that. I agreed to keep them on the ship, if possible, but not to take care of them off the ship.

Q. You agreed to keep them on the ship after the lapse of twenty-four hours?—A. After that time I would have no power.

Q. Would those goods have been liable to go to the general-order stores but for your looking after them?—A. No, sir.

Q. What motive was there in engaging you to look out for the goods?—A. In case they might come up to try to stop them from coming out of the ship.

Q. What right had you to interfere with goods coming out of the ship?—A. I could not stop them from coming off, but I could stop any more from coming out, which I did in the case, for example, like this: The France came on Saturday. On Monday morning we commenced discharging. Our general-order time was not up until 3 o'clock in the afternoon—half-past two or three. We started at 7 o'clock in the morning, and if we put out goods as they came, they would be subject to general

orders. Whereas I notified the stevedore to put out only such goods as were permitted.

Q. Suppose Bloomfield & Co's goods had been landed on the docks—had been taken out of the vessel, they would not be liable to be sent under general orders until the lapse of forty-eight hours, would they?—A. They are taken the moment they strike the dock and pass the officer. The carts are ready to take them.

Q. But in that case Bloomfield & Co. did not eventually lose the general-order charges in case their permit arrived there within forty-eight hours after the vessel entered?—A. Not at all.

Q. Then what loss do they suffer by reason of the goods going under general orders?—A. They lose nothing, only it is the matter of convenience which is affected, and the merchants object on that ground. If the goods are sent to the general-orders, the merchant has to return his permit to the custom-house. It has to be submitted. He has to go to the general-order store and pay his bill; then he has got to present his bill to the company; then they have to come to my book to learn the time that the permit was received, and all these things are a great annoyance to the merchant.

Q. So that your only arrangement was to prevent the goods of Bloomfield & Co. going into general orders within the forty-eight hours.—A. That was as far as I could go.

By Mr. CASSERLY :

Q. What were you on the ship—what office did you fill?—A. I was check-clerk.

Q. You were in the employment of the ship?—A. Of the company.

Q. What had you the power to do in regard to the goods arriving by the ship for the exercise of which power you receive these gratuities?—A. I do not exactly understand your question.

Q. What did you do by way of favor to the merchant for which you receive these little gratuities?—A. In this case I didn't really do anything, because in the case of Mr. Bloomfield—

Q. For what did you receive \$5 or \$10, whatever it was?—A. They handed it to me; that is all. They requested me to take care of their goods.

Q. Where?—A. At pier 47, North River.

Q. I understood you to say that you did all you were able to do, which was to retain the goods in the vessel?—A. I did say that. I had that power within the forty-eight hours; but after that I had no power.

Q. To keep the goods from being discharged; that is all the power you had in the matter?—A. Yes, sir.

Q. After these goods were once on the dock?—A. They were passed and designated.

Q. Who passed the goods?—A. The custom-house officer.

Q. He has control over that matter?—A. Altogether.

Q. He is the one who determines whether the goods shall be kept after they have left the ship?—A. After the goods pass him he designates them and they are marked accordingly.

Q. But suppose he does not designate them?—A. He must designate them, or we must put the goods back again.

Q. How does he designate them?—A. By saying "general orders," or "duty paid." There is a gentleman outside who marks the case.

Q. Is it not possible for him, whether it is lawful or not, to omit goods from general orders after delivery from the ship?—A. That would be possible, of course. He might do it by mistake.

Q. Might he not do it by an arrangement with the merchant?—A. Not to my knowledge.

Q. Does he not, to your knowledge?—A. Not to my knowledge.

Q. Who does keep goods on the dock out of general orders?—A. Who does? I have no power.

Q. You are on the ship?—A. Yes, sir.

Q. Your power ceases the moment the goods are landed?—A. The moment they pass my office.

Q. What power have you after the goods go over the ship's side?—A. I have to keep up my manifests and see how they are disposed of. My books are a true record.

Q. After the goods have left the ship's tackle, and you have noted the discharge of them on your manifests, your power ceases?—A. There my power ceases.

Q. Then they come into the jurisdiction of the inspector?—A. We both check at the same time.

Q. I understand you to say that you did not receive pay from Mr. Bissell. Mr. Bissell's testimony is that he paid from \$5 to \$10 on two occasions to the inspector, and then the question was asked, "Did you pay this money to the inspector?" and his reply was "Yes." I understand you to say you never received any money from Mr. Bissell.—A. I did not, most emphatically.

Q. Then I will read a part of his testimony to show you that Mr. Bissell could not

have been testifying as to the transaction of which you have spoken. "Q. What arrangements have you made for hastening the delivery of goods? A. When I know the goods are there and the invoices are delayed, I have made arrangement with the inspector to save them from the general orders." Then again: "Q. What has he done to save them from general orders?—A. He has held them back. Q. Where?—A. On the dock. Q. How long has he held them back?—A. Not over a day, I do not think." You perceive by the witness's testimony that his statement refers to a transaction with an inspector, and had reference to goods lying on the dock, and not goods in the ship?—A. Yes, sir.

Q. So that is entirely a different transaction.—A. I judge so.

Mr. STEWART moves that Mr. Bissell be recalled, and that the witness be detained until Mr. Bissell arrives.

The CHAIRMAN puts the question on the motion of Mr. Stewart, and it is decided in the affirmative.

By Mr. BAYARD:

Q. Have you any knowledge of custom-house inspectors receiving gratuities for detaining goods on the dock after the lapse of forty-eight hours from the time the vessel has entered.—A. No, sir.

Q. You know of no practices of that kind?—A. No, sir.

Q. Have you heard of any such practices?—A. I have heard rumors of that kind, but I know of no facts.

Q. Do you enjoy opportunities, so far as being on the dock is concerned, of knowing whether such practices do exist?—A. I do not.

By Mr. CASSERLY:

Q. Who is the agent of your steam-ship line?—A. F. W. Hurst.

Q. It is rather desirable for you to be on good terms with the inspector?—A. Yes, sir.

Q. It is not your interest, nor the agent's interest, to have any quarrels with the inspector?—A. No, sir.

By Mr. PRATT:

Q. What is the rule—is the same inspector always at one dock, or do they change?—A. No, sir; they are changed every day.

By Mr. BAYARD:

Q. Do you know the name of the inspector who discharged these two vessels in the case referred to?—A. I cannot tell without referring to my book. My book has a record of it.

Q. You cannot tell now?—A. No, sir; there are so many changes.

Q. You speak of the carman taking in the general-order goods the moment they strike the dock?—A. Yes, sir.

Q. Do they do that instantly?—A. Instantly.

Q. Carry them away right off?—A. Right off.

Q. How are they marked?—A. With a round ring.

Q. What does that signify?—A. It is a chalk mark, a round ring—an O.

Q. G. O., or O.?—A. O. It is marked on the dock with a round O, which means general orders. P. S. means public stores. S. O., sample office. B. means in bond for transfer. That is the way they designate them.

Q. You say this carman sees them, and runs them right off to the general-order store?—A. Yes, sir.

Q. Is it a large proportion of goods that are sent off that way?—A. They take everything that comes that is marked.

Q. How about the mark; is it generally marked so by the inspector as soon as they come there?—A. Not the inspector; another person does it.

Q. Who is he?—A. He is a young boy employed, called a caller.

Q. Under whom is he?—A. The stevedore.

Q. Do you say that a boy under the stevedore indicates what goods shall be sent to general orders?—A. Let me illustrate: The officer sits in the office. For instance, this is the office, [pointing.] The goods come by the office on trucks along here, and the mark is shown to the officer as it runs along in front—the mark and number. The boy cries out, "Diamond, S. P. L.," and the officer turns to the book and designates what is to be done with the package that is on the dock.

Q. The goods then are on the truck at the time this is done?—A. The package is on a hand-truck as it comes out.

Q. Right from the tackle?—A. Yes, sir; they come right up here on the hand-truck. They are designated and passed down, and put in separate places; those for general orders in a place by themselves.

Q. The inspector in the office designates where they shall be put, and the mark is put on by the boy?—A. Yes, sir.

Q. Under the direction of the inspector?—A. Yes, sir.

Q. Is there no inspector on board while the ship is being discharged?—A. Never on a steam-ship.

Q. Where do you stand; where is your position?—A. I stand down by the house where the officer is.

Q. You are not on the deck?—A. No, sir; not on the steamer after they commence discharging.

Q. How can you direct the stevedore then as to what goods he shall leave?—A. We notify him in the morning. We generally go aboard and state what goods are permitted. He looks and sees what he can take out of the permitted goods, and selects them out to be discharged. The general order would not be up until 3 o'clock, to illustrate; and we usually make arrangements to have them remain until the time is up.

Q. Then I understand you, when the general order comes, you proceed to send those goods off?—A. I do not proceed to.

Q. The ship is discharged of those general goods?—A. Yes, sir.

Q. They pass off immediately, and the carman takes them the moment they strike the dock?—A. Yes, sir.

Q. And carries them to the general-order stores?—A. Yes, sir.

Q. Have you observed a good deal of activity in that way in getting goods into the general orders?—A. Yes, sir.

Q. They run things very quickly?—A. Yes, sir.

Q. Are general-order goods carried off any quicker than any other goods?—A. Much quicker.

Q. Do you know any reason for that?—A. I had better explain that, and you will understand about general orders.

Q. I think we have had a good deal of explanation; still I want your testimony.—A. In the first place the carman is appointed by the collector as a general-order carman. He is supposed to have more influence than an officer. Should an officer attempt to retain a package—I am speaking now from my experience—he would be reported by that carman. The moment these goods land and are subject to general orders, the carman stands ready and puts them on his cart, and demands a ticket for them.

Q. I thought you stated that the inspector must direct the mark to be put on them.—A. It is a round O, showing what it is for.

Q. Has the carman a right to touch it until that round O is put on?—A. It is put on the moment it comes out, and the case goes right to the pile, and the carman is there by that pile, and he sees it come. He puts it on his load, and then he comes down and says, "I have got such and such goods for general-orders and I want the ticket."

Q. You have been discharging, in the morning, goods that were permitted, and the bulk of the cargo lies below, and at 3 o'clock the time expires, and then, I understand you, you commence to discharge general-order goods?—A. Yes, sir.

Q. As these goods come out under the general order, the whole are instantly taken up and carted away?—A. All that come out that day.

Q. The whole cargo of that ship, with the exception of a few articles you have described, go under general orders?—A. I do not pretend to say any such thing. I say that all that come out that day that are subject to general order. She is entered on Friday and on Monday at 3 o'clock the time is up; at 7 o'clock in the morning we cannot commence discharging, because the merchant cannot go to the custom-house to do business until then. If we take the goods out that morning they will go to the general-orders, and our company would be subject to the payment of those general-order charges; hence, we only take out such cases as are permitted.

Q. Until the hour on Monday when the time expires?—A. Yes, sir.

Q. There was not a great deal of expedition in discharging that cargo?—A. No, sir; we did not dare to; it would have been a very heavy expense to the company.

Q. You say that the carman is supposed to have an influence with the inspector, and can compel the inspector to let them cart away the goods?—A. They start out at 8 o'clock in the morning.

Q. And carry off all goods in permit?—A. General-order goods.

Q. How soon after the vessel comes up?—A. The moment the ship is entered we get the papers out.

Q. She could discharge the whole?—A. She could right at once.

Q. The carman, in such an event, is right there to take off any cargo for which permits are not there?—A. Certainly.

Q. Have you ever known cases of several invoices arriving where the goods were marked for general orders when the merchant was there ready to take them?—A. I did know an instance under Mr. Grinnell, but not since then.

Q. You have not seen that lately?—A. No, sir. When the permit comes upon the dock, if the goods are there, the merchant is entitled to them, even if they are marked for general orders.

Q. You never knew a general-order carman to take the goods under such circumstances?—A. No; not under such circumstances.

Q. Have you frequently made arrangements of this same character you made with Mr. Bloomfield with other merchants?—A. No, sir; that is a very rare thing. They sometimes ask me to take care of their goods.

Q. Did you ever make that arrangement with Tillotson & Co.?—A. No, sir; he imports very little in our line.

Q. You say it has not often occurred with other importers?—A. No, sir.

Q. Do you know how often this occurred with Bloomfield & Co.?—A. It may be once or twice during a year.

Q. I understood you to say that no custom-house officer was on board the ship during her discharge?—A. No, sir.

Q. Do you know, or have you any information on the subject respecting the receipt of money, directly or indirectly, by custom-house officers, by merchants or clerks, as gratuities?—A. No, sir.

Q. You have no knowledge that they have received any such moneys?—A. No, sir.

By the CHAIRMAN:

Q. This arrangement you made with the young man of Bloomfield & Co.?—A. Yes, sir.

Q. Do you know his name?—A. It is the same one you alluded to. I think his name is Bissell.

Q. Did he pay you?—A. No, sir.

Q. Who did?—A. It was one of the firm.

Q. It was an arrangement made in behalf of the firm by this young man, and paid by a member of the firm?—A. Yes, sir.

Q. Where did he pay you?—A. At their store on Dey street.

By Mr. PRATT:

Q. Except in cases of emergency do not the vessels lie at the dock forty-eight hours before they begin to unload?—A. Yes, sir; when they have time.

Q. In your experience, what proportion of the cargoes go under general-orders?—A. Very little, when they have forty-eight hours. Then it is a small matter.

Q. Are any goods taken to the general-order store except those that are marked with the round O?—A. No, sir.

Q. This mark is made by the custom-house inspector on the package?—A. It is not made by him, but is ordered to be made by him.

Q. It is made under his direction?—A. Yes, sir.

Q. The carman is entitled to take off any cases after they are so marked?—A. Yes, sir.

Q. What do I understand you to say about the influence of a carman over an inspector?—A. I say that their appointment is generally considered of more influence. That is from my observation.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

The following letter was received on the 17th of January, and ordered incorporated with the evidence:

“ALBANY, *January 16, 1872.*

“SIR: I have read the evidence of Mr. Greeley before your committee, in which he mentions my name, and in which I am misrepresented.

“When I first heard of Mr. Smith's name in connection with the speakership, I stated promptly that from having noticed that gentleman in court in Montgomery County, about four years ago, I considered him a gentleman of fine ability and eminently fit for the position, and that it would be very strong reasons that would make me vote against him, and in favor of any one else. This was several weeks before the election, and my position was well known in my district and county.

“It is therefore untrue that I was influenced by “Conkling,” “custom-house,” or by any influence other than my judgment of what was wisest and best to be done. No custom-house officials accompanied me to Albany, nor was I approached by any such after I arrived there.

“Very respectfully,

“E. BECKWITH.

“HON. WM. A. BUCKINGHAM, *Chairman, &c.*”

Mr. Beckwith was subpoenaed and appeared on the 25th of January and testified as follows:

ELEAZER BECKWITH, a witness, being duly sworn, testifies :

By Mr. HOWE :

Question. You are a member of the assembly of the State of New York?—Answer. Yes, sir.

Q. From what county?—A. Oneida County.

Q. There was some testimony given before the committee by Mr. Greeley, of the New York Tribune, some time since, that the influence of Federal officers was exerted in Albany on the occasion of the recent election of speaker of the house; and among other statements he made in his testimony was one which I will read: "Q. You are therefore prepared, I suppose, to give the names of the representatives whom you think were so changed?—A. Well, sir, I will give you some of them. Mr. Beckwith and Mr. Hungerford, of Oneida, Mr. Conkling's county, I think, would have voted for Alvord but for official influence." If official influence was exerted upon you in order to induce you to change your vote from Alvord to Smith, I wish you would state the fact to the committee, and state what the influence was.—A. Perhaps I can state facts which will meet the question. No man, to my recollection, ever asked me to vote for Mr. Smith as speaker. My position in reference to that matter was well known before I left home for Albany. I had met Mr. Smith previously, and thought very much of the man. I had said that he would be my choice; that if there were no serious objections, politically or otherwise, he would be my first choice for speaker—my personal choice. It is true that I was asked in Utica, previous to my going to Albany—some weeks previous—who my candidate for speaker was, and I answered frankly that it was Mr. Smith. I say further that I do not know of any custom-house official that has approached me in my life.

By Mr. CASSERLY :

Q. Mr. Smith was generally supported by the influence, was he not?—A. The public prints say that. It was a new business to me, and I could not tell you.

Q. You could tell whether he was or not?—A. The public prints say that it was so.

Q. Can you tell us whether he was or not?—A. By the custom-house influence?

Q. Can you tell whether Mr. Smith was supported by custom-house influence?—A. I cannot, of my own knowledge.

Q. Can you from general observation?—A. I should say that he was; that is, that that influence was sustaining him.

Q. There were several custom-house officials there, were there not?—A. I could not tell you. I do not know them. I will make an exception. I met Mr. Laffin, of Herkimer, although he is not in the custom-house, is he?

Q. I should say he was.—A. Is he?

Q. Do you not know that he is the naval officer connected with the custom-house?—A. I do not know but he is.

Q. You mean Mr. A. H. Laffin?—A. Mr. A. H. Laffin, of Herkimer County.

Q. Do you know Mr. A. B. Cornell?—A. No, sir; I do not.

Q. He is chairman of the State republican committee.—A. I do not know him.

Q. Do you know him if you see him?—A. I should not know him if I should see him.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

EDWARD P. BIGELOW, a witness, being duly sworn, testifies :

By Mr. HOWE :

Question. Do you know Mr. B. F. Mudgett?—Answer. I do.

Q. Did you see the testimony that he gave before this committee some time since?—

A. I read it in one of the papers—the Times, I think it was.

Q. Mr. Mudgett referred to you as having given him some information in respect to the payment of money to inspectors of the custom-house?—A. Yes, sir.

Q. Please state what you did say to Mr. Mudgett about that, and what the facts are?—A. I do not know that I could state exactly what I said to Mr. Mudgett. I met Mr. Mudgett—this Naylor affair came up and he was talking about Mr. Howe; I have forgotten what was said about it, but I know there was some question brought up and he asked me something about it. I told him that morning we had just had a case, and had sent our man down to the dock to see about some goods, and that he had given \$5 to the inspector or somebody, and that the man said he would come up and see us. That was all that was said about this case. After this I told him it was strictly confidential.

Q. You are a member of what firm?—A. Bigelow & Johnson, iron-brokers.

Q. You have stated as near as you could what you said to Mr. Mudgett?—A. Yes, sir.

Q. Mr. Mudgett testified as follows: "One merchant stated to me that inspectors

were in the habit of making them pay ; this was an iron-merchant ; they holding on to his iron, and not sending it to the general orders immediately. He illustrated his statement with an instance which happened the other day. He said they sent their clerk—the ship was unloading, and as the owner of the goods lived out of town and had not sent the bill of lading for them to make up the entry that day, and their clerk gave the inspector \$10, but he said that was not enough, and he appeared the next day in person at their office for them to pay more. He said he could make it cost them \$200 or \$300, if he had sent them off that day.” What are the facts about the transaction ? What was the vessel that was unloading ?—A. The vessel was the James Ingalls.

Q. She was unloading at the dock ?—A. At pier 33 or 34, East River.

Q. When was this ?—A. Four or five weeks ago.

Q. Who is the inspector ?—A. I cannot tell you that, for I did not see him. We sent our man up to the dock to see the inspector.

Q. What did he give the inspector ?—A. He gave him \$5 ; that was all the money I mentioned to Mr. Mudgett.

Q. What did he give him the \$5 for ?—A. The goods were in the ship and they belonged to other people. We were the brokers in the matter, and had charge of the goods for them. We had not received the money to take care of the goods and therefore we had not permitted the goods, and for fear they would come out before the next day, we sent the money down to him, or to whoever would keep the goods in, if there was any such thing as that.

Q. Keep the goods in where ?—A. In the ship.

Q. Do you understand that the inspectors in the custom-house have any authority to keep goods in a ship after the order to unload has been given ?—A. That I do not know ; I am not competent to answer.

Q. Do you know whether the money was given to an inspector of the custom-house, or to a dock clerk ?—A. That I do not know.

Q. To an officer of the United States, or an officer of the vessel ?—A. I do not know anything about it. I did not see the money given, and did not give any money.

Q. Do you know who did give him the money ?—A. Yes, sir ; our book-keeper gave some money there.

Q. Who was it came to your store the next day and called for more ?—A. That I cannot say. I saw a man talking with my partner, and my partner paid him some money, but who it was I cannot say. We were very busy at that time. There were several gentlemen in the office, and I did not pay much attention.

By Mr. BAYARD :

Q. Money paid in connection with this transaction ?—A. Yes, sir.

By Mr. HOWE :

Q. Your partner paid him some more money ?—A. Yes, sir.

By Mr. CASSERLY :

Q. The man was in the store ?—A. The man was in our office, but whether it was the same man or not, I do not know.

Q. What is your book-keeper's name ?—A. David W. Davidson.

Q. What is your partner's name ?—A. James Johnson.

By Mr. PRATT :

Q. Was your book-keeper, at the time the man came up to your office for money, about the office so as to identify him ?—A. That I could not say. I was away in one office, and I am not positive whether he was or not, but I think it altogether likely he was.

By Mr. BAYARD :

Q. You have heard the statement of Mr. Mudgett read by Senator Howe ?—A. Yes, sir.

Q. Do I understand you that you corroborate this statement in regard to what passed between you on that occasion ?—A. With one or two exceptions—one statement in respect to the amount of money, in the first place.

Q. You paid \$5 instead of \$10 ?—A. Yes, sir.

Q. What other difference ?—A. I read the statement in the Times. I would not say that I did not say all that was read, because it was a casual conversation. I just mentioned the matter, and then it was forgotten.

Q. In regard to this statement as read to you with reference to the fact, is there any difference between your own and Mr. Mudgett's memory, except that \$5 was paid instead of \$10 ?—A. Yes, sir.

Q. State what they are.—A. Perhaps some things ; I would like to read it.

Q. I will read it to you : “An iron-merchant stated to me”—you are not an iron merchant ?—A. I am an iron broker.

Q. You are not an iron-importer?—A. Not an iron-importer.

Q. But you have charge of the imports of other persons?—A. We attend to the business of several merchants in that way.

Q. "An iron-merchant stated to me that the inspectors were in the habit of making them pay for holding on to iron and not sending it to general orders immediately. I will illustrate his statement with an instance that happened the other day. He said they sent their clerk—the ship was unloading, and as the owner lived out of town, and had not sent the bill of lading for them to make the entry that day"—A. I may have said that the owner was out of town, but he did not live out of town.

Q. "And had not sent their bill of lading for them to make out the entry that day"—A. Had not sent the documents.

Q. "And their clerk gave the inspector \$10, and he said that was not enough"—A. That is all right.

Q. "And he appeared the next day in person at their office for them to pay more"—A. That I do not recollect of saying, but he said he would be up to see us.

Q. What, the inspector said that he would be up to see you?—A. Yes, sir.

Q. I understood you that after that he did come and see you?—A. He did come, because we paid him some money.

Q. "He said that he could make it cost you two or three hundred dollars if he had sent them off that day." Do you remember that statement being made by him?—A. That statement was made.

Q. Have you made all the corrections you desire to make after having Mr. Mudgett's testimony read?—A. Yes, sir.

Q. Then substantially you corroborate his statement about the matter?—A. Yes, sir.

(Mr. Howe moves that Mr. David W. Davidson and Mr. James Johnson be subpoenaed as witnesses.

The chairman puts the question on a motion of Mr. Howe, and it is decided in the affirmative.)

Q. Are there cases frequent like those you have stated?—A. I suppose they are, but I do not know anything about it.

Q. In your own experience have you had them frequently?—A. I do not have much to do with them, but we have a very few cases.

Q. Have other cases of similar character to this occurred in your house?—A. Yes, sir; they have. I would like to state that in this particular case the goods did not come out of the ship until we had the permit there the next morning, and that the official did nothing out of the way.

Q. But in point of fact he was paid a gratuity?—A. Yes, sir.

Q. In other cases you say a similar thing has been done?—A. Yes, sir.

Q. Will you tell me whether you have had experience in regard to paying United States weighers for returns to you of iron?—A. That I have nothing to do with. We never get returns, because we never have anything to do with them. It is the merchant who gets them. If we have had any cases of that kind we have let them go through the regular channels—got there through the custom-house.

Q. It has been suggested that United States weighers give copies of their returns to the merchants, and are paid by them for it. Have you any knowledge of that?—A. I believe it is done. Iron is a very large article to handle, and going out of a ship it is a benefit to get the return. The merchant has sometimes to wait thirty days before it gets through the custom-house, and if he can get his returns he can send them back and through that save interest on the money.

Q. They pay extra for that?—A. I believe they do.

By Mr. HOWE:

Q. You have testified now that in other cases besides this one you have mentioned you have paid money to inspectors to delay the discharge of goods?—A. I cannot say inspectors, for I do not know to whom it is paid, but I supposed it to be the inspectors. We have paid money for favors in that way.

Q. Can you specify any particular time so that we can have the data by which we can ascertain to whom you did pay the money?—A. I could not, because it has been a very long time that we have had anything in this way.

Q. You cannot mention the time nor the ship nor the sum, except in this case—do I understand you to say that?—A. I do not think of the others. I know we have done it. I have so little to do with these things myself that I could not tell the vessel; in fact, I do not keep track of these things.

Q. Would your books show the payment of these sums?—A. No, sir; we do not keep any entry of these things; we put it in the bill of charges.

By Mr. CASSERLY:

Q. Under what expense?—A. Just the expense, whatever it is.

By Mr. HOWE:

Q. What are your regular charges against your clients?—A. We state to them the

facts; what the expenses are, so that they may know. We give them all the expenses, our commission, &c., including that, so that they may know what it is.

Q. You do not enter it upon your books, but you explain it in your letter of advice?—

A. No, sir; we do not explain it. They know. We put it under custom-house charges, or something of that kind, but I have forgotten exactly the entry we do make of it.

By Mr. PRATT:

Q. In the case you have mentioned, when \$5 was paid to the inspector, do I understand you to say that your permit was on board of the vessel within forty-eight hours after it had been entered at the custom-house?—A. That I cannot say, as I stated I have very little to do with the details of the custom-house. I know that the permit was there before the goods came out.

Q. But if your permit was there within forty-eight hours before the vessel entered, how would the inspector have made it cost you \$200, by sending the goods under general orders?—A. That I do not know. If they could send goods under general orders, they could make it cost almost any amount, because it is such a weighty article to handle, and it will cost a good deal.

Q. But do not you understand that if your goods are sent to general orders within forty-eight hours, you get your charges back from the vessel?—A. That is if you have the permit on board.

Q. Yes, sir.—A. Yes, sir, I understand that.

Q. Would you not infer from what the inspector told that these goods were entitled to go in to general orders, and that he had prevented them from going there and saved you \$200 by the operation?—A. I would; I understood it was this, that he could send the goods under general orders if he chose.

Q. Within forty-eight hours from the time the vessel entered?—A. That day; that was the way I understood it.

Q. Then I repeat my question, would you have lost eventually by the goods being sent into general-order stores; provided they had been sent within forty-eight hours from the time the vessel was entered at the custom-house, would you not recover the charge back when you paid the freight-bill?—A. I do not think we would.

Q. Why?—A. I do not know that we ever had a case of that kind, and therefore I am not prepared to say.

Q. Don't you know that the law is that a vessel shall not commence unloading until the lapse of forty-eight hours from the time she is entered at the custom-house, and if she does unload within that time and any goods are sent to the general-order stores, then those charges are deducted from the freight-bill of the importer?—A. I understand that; but I thought you had reference to that particular case as vessel has been discharging. I do not know how long she had been lying discharging, or how long she had been entered. I am speaking of our special permit.

Q. I had reference to this case where you were to be saved \$200 by the interposition of the inspector, because your goods were entitled to be sent into the general-order stores?—A. We were not saving anything, because his goods had not come out.

Q. I understand you to say that that being so, you paid him the money to prevent their coming out?—A. Yes, sir; but I did suppose they would be discharged.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

HENRY J. MEYER, a witness, being duly sworn, testifies:

By Mr. BAYARD:

Question. What is your residence and occupation?—Answer. I have a private bonded warehouse in this city.

Q. How long have you been engaged in the business of warehousing?—A. About eleven or twelve years.

Q. Where is your warehouse?—A. I keep a warehouse at 393, 395, and 397 Greenwich street, and 62 Beach street; also 41, 43, 45, and 47 Vestry street, and 54, 56, and 58 Laight street.

Q. How many stores in all have you?—A. About eleven stores.

Q. And you have been engaged in the warehousing business for a number of years?—A. For the last twelve years.

Q. The attention of the committee has been directed to the general-order business, and we are informed that you have had a good deal of experience in that line. I wish you to state to the committee your knowledge of what is its extent, and what you believe to be the value of the privileges now enjoyed by those who hold the general-order business on the North River side.—A. I had the general-order business, I think,

in 1866. I started in it at that time, and held it for about three and a half years, under the administration of Mr. Johnson—Andrew Johnson.

Q. What do you know of the present general-order business as it is now conducted?—A. I don't trouble myself much about it; when I conducted it, I charged certain prices that satisfied the importers.

Q. You had it from what time?—A. I had it about three and a half years. I took it under this statement of Collector Smythe; I sent him a couple of times a petition from the importers of New York, that they should like me to take that business, because they had a great deal of trouble about the prices of receiving goods. Mr. Smythe told me that it was a very rich plum, but, he says, "I don't care a damn; if anybody will take that business and get me out of this trouble, and promise me not to have any trouble with the importers, &c., he can take the business." I told him if he would try me I would show him that I would do the business satisfactorily, and that there would not be any trouble with the importers and the custom-house authorities, &c.

Q. Did you take the business?—A. I took it.

Q. What portion did you take of the whole?—A. I had it partly, and the whole from the beginning.

Q. What stores did you designate for general-order stores?—A. I had one at the foot Bank street, near Twelfth street. I had 41, 43, and 45 Vestry street, and 393, 395, and 397 Greenwich street, and I had one down in Bridge street, in charge of Mr. E. C. Johnson. He kept the place, and half the general-order business down there came from the North River. Then I kept a store at Nos. 272 and 274 Water street; then I had another down on the Hook—what we call Coe's store.

Q. How many general-order stores were there in the city under that arrangement?—A. Five.

Q. How many on the North River side?—A. Three.

Q. How many on the East River side?—A. I think I had about six altogether. I had three on the East River side. Then there was one store in Bridge street which had part from the East River and part from the North River. Then the Water street district run up to below the Hook, and there Messrs. Coe & Lawrence did the balance. I fixed the warehouses convenient for the merchants.

Q. At the same time these Jersey stores—the Cunard and the Bremen and Hamburg line stores—were in operation?—A. They had been in operation.

Q. Then they had at that time the warehouses in Jersey City, which were designated as general-order stores, and the six under your charge in New York City?—A. Yes, sir.

Q. You had what came to New York City?—A. Yes, sir.

Q. How many general-order warehouses were there on the Jersey side? Give the names.—A. The Cunard general-order warehouse, the Bremen line general-order warehouse, and the Hamburg line general-order warehouse.

Q. There were three then on that side?—A. Yes, sir.

Q. They accommodated all the business of those lines?—Yes, sir.

Q. What were your current rates—your average rates of charge for cartage, storage, and labor?—A. The average rates run from 34 cents cartage, 34 cents labor, and 34 cents storage to—some goods were 40 cents cartage, 40 cents labor, and 40 cents storage. I charged \$1.50 for night work to J. G. Dale, but there was an understanding between Mr. Dale and myself, or with myself and his head clerk, that we should pay them 20 per cent. back on goods the general-order charges on which they paid the owners. That was the understanding.

Q. For those goods they paid for?—A. Yes, sir.

Q. You mean goods that were discharged before the forty-eight hours were up?—A. Yes, sir.

Q. For which they were to repay the merchant?—A. Yes, sir.

Q. Where the charge came out of the steamship company you were to give back 20 per cent. of the amount?—A. Yes, sir.

Q. Your charge was an equal amount for each?—A. Most goods. In general-order business you cannot exactly calculate, but goods of from 21 to 27 cubic feet you charge about 34. In that business we have to make an average on these goods. Cases probably that weigh about five times as much as one of those cases—on some you get perhaps \$2, or \$4, or \$6; for instance, like a carriage, and like a great many things imported of that size, they might come to \$10 or \$15, because they have a tremendous big bulk. We generally charge, in that business, according to what room it will take, or what its weight is, but the general run of business, in regular cases, we make a charge of 34, 34, and 34.

Q. Were the prices of labor at that time higher or lower than in 1870 or 1871?—A. At the time I had the general-order warehouses labor was about the highest.

Q. Has the cost of cartage and labor diminished since the time you held it, or has it increased?—A. What I understand about cartage is that it is regulated by law; that is, the custom-house rates are 50 cents for the first distance a load.

Q. What is a load?—A. Sometimes one case, sometimes two, and sometimes three or four.

Q. What is an average load?—A. The cases received like Stewart's. I had the bulk of Stewart's business mostly; they run about three to a load.

Q. Then at 50 cents that would be—A. For the first distance the next is 67, and the third is 84.

Q. The first distance, at 50 cents a load, would be equal to 16 cents and a fraction a package?—A. Yes, sir; according to that calculation.

Q. And the next distance would be?—A. Sixty-seven cents.

Q. That would be 22 cents a package?—Yes, sir.

Q. And the third is 84 cents?—A. One-third more for every distance.

Q. And at 84 cents a load, it would be 28 cents a package?—A. If we have three packages. There is a regular understanding between the carman and the merchant. Sometimes we charge 33 and 34, and another time we might charge 40. That is a sort of private agreement between the merchant and the carman and the store-keeper.

Q. The average of the cartage upon these packages, with three to the load, would be between the extremes 16 cents and 28 cents, which would be an average of 22 cents?—A. The average price per package according to that calculation.

Q. Would those be fair and reasonable rates for the year 1870 and 1871?—A. Yes, sir.

Q. Your charges amounted to \$1.02 storage, cartage, and labor, upon the average packages; where you had extremely large ones you got as high as \$1.20?—A. From \$1.20 to \$1.25.

Q. That was the highest?—A. That was the highest for regular business packages.

Q. Had you lower charges for very small cases?—A. Yes, sir.

Q. State what your rates would be for them.—A. Probably in some cases the cartage, labor, and storage would be about 80 cents. I generally conducted myself according to the rate-book—what we call the custom-house rates. They are very low. They were made when you could hire a store for fifteen to eighteen hundred dollars, whereas your store costs now a great deal more—from \$2,500 to \$3,000.

Q. What are your present warehouse charges for storing ordinary packages at this time, including storage, cartage, and labor?—A. Twenty-five cents for storage and twenty-five cents for labor.

Q. There is one charge for labor, no matter how many months a package remains?—A. There is only one labor charge, and that is for the first month.

Q. The rates of cartage are 50 cents a load for the first distance?—A. In a good many cases, one case makes a load, and another time two, and another time three. A man wants in this business to understand how to arrange these things.

Q. It would be about 22 cents per package for all distances on an average?—A. With that calculation.

Q. Do you believe that to be the fair and usual rates now paid in this city for cartage and at which cartage can be obtained?—A. Yes, sir; that is the rate now.

Q. Would you undertake to carry on the business of cartage at this time upon those rates if you were disposed to enter the business at all?—A. Yes, sir.

Q. Have you seen the bills paid by Stewart & Co., to Leet & Co., for general-order charges?—A. No, sir; I have not.

Q. During the time you were in the general-order business, the Cunard and the other companies on the other side of the river had the whole general-order business in goods imported by their lines?—A. Yes, sir.

Q. Can you give an idea of the extent of business in general-order goods transacted by you on this side, contemporaneously with the business of the Cunard Company?—A. I calculate that the business in those three lines would be as much as that of the city of New York, and probably more.

Q. I want to get your idea. Has the business of the port increased very much since you had the general-order business?—A. Yes, sir.

Q. Can you give any idea of what business you had in New York City, in general orders—the number of packages received by you per annum during the whole of your business?—A. The business was pretty slack the whole time, except the last year, when I was very busy. The last year there was probably three months that I was pretty busy, and I received in general, running through the day, about three to five hundred cases, but the rest of the time, sometimes I would not receive more than fifty cases a day.

Q. From three to five hundred would be the average?—A. For the busy season of about three months.

Q. That would be ninety days. What would be the average for the other nine months?—A. I suppose the average would be about fifty cases a day, or something like that. I have not figured it up; I only calculate that way.

Q. That came into your store which you had on the North River side?—A. Yes, sir.

Q. Were there any other general-order stores in New York or Brooklyn, other than those you had?—A. I believe there was a general-order store that took iron and such things, belonging to Woodruff & Robinson. That I had nothing to do with.

Q. But the others you had?—A. I had with most of them. In the first place, I had them all. Then Mr. Smythe, he came to me and asked me to let a certain gentleman,

Mr. Livingston, have one. In another district I gave one store to Messrs. Coes & Lawrence, because it was a troublesome district, and I gave it to them to attend to the business under my direction without charging them anything for it.

Q. In your estimates of the business, do you include those stores?—A. No, sir.

Q. Whatever business was done there was extra to what you have stated?—A. Yes, sir; neither did I include the one on Bridge street.

Q. Who had that; Mr. Johnson?—A. Mr. Johnson.

Q. Was there a good deal of business done there?—A. Middling; not a great deal; but I had the observation of the whole of them, so that the merchants would not be overcharged. I promised Mr. Smythe that such things should not be, and he told me, after the time was out, that there was only three charges against me during the whole time, and they didn't amount to anything.

Q. At that time were goods hurried into general-order stores as they are now?—A. Sometimes in busy times, particularly the last year, a good many at night; probably whole cargoes were unloaded during the night.

Q. How was it in regard to the nine months; was there time given to the merchants to take the goods from the docks, so that they would not go into general-order stores?—A. Yes, sir; during that time John G. Dale was discharging sometimes during the night, but not at all times—once in a while.

Q. I want to get information as to the fact whether, during the nine months in the year, when the pressure of the commerce of the port was less, as you have described, the merchants had time—the full forty-eight hours.—A. Most of the time.

Q. Are you aware that at the present time the habit is to hurry the goods instantly into general orders, and let the steamship bear the expense of that, where the goods are landed within the forty-eight hours?—A. I have heard so, but I cannot say.

Q. During the nine months in this year you have referred to, there was time given?—A. Yes, sir.

Q. Given to the merchants to get the goods without their being sent into general orders?—A. Yes, sir.

Q. That would diminish the amount of goods received in general orders?—A. Yes, sir.

Q. The amount of goods you have stated as having gone into general-order stores was lessened on that account, and, in your calculation, you have not included the stores of Livingston, Coes & Lawrence, and the Bridge street stores?—A. No, sir.

Q. And, of course, the ones in Brooklyn?—A. No, sir.

Q. And not those on the Jersey side?—A. No, sir.

Q. I ask you whether the general-order stores belonging to the Cunard, the Bremen, and the Hamburg lines—whether their general-order business was not far in excess of the general-order business in the city of New York proper during the same time.—A. I always calculated that that general-order business should come to New York. I think it belongs to New York. I heard a great many outsiders, merchants, who would come to my store and want to know about their goods, and I told them that those goods had come on certain ships and had gone over to the Jersey side. They would say, "Good gracious, we have imported our goods to come to New York, and they have been and taken them over to New Jersey, and I have to go to another State. It is too ridiculous."

Q. The question I asked was not directed to that point, but as to the fact whether the amount of business in the general-order stores in New Jersey did not far exceed the amount of the general-order business into the stores in the city of New York.—A. I could not tell, for they kept that pretty close among themselves.

Q. Can you give us any idea?—A. No, sir; I know they did a great deal of general-order business. They had a pretty good fat plum.

Q. Did not the steamers do a pretty large business during all that time?—A. Yes, sir.

Q. Constantly?—A. Yes, sir.

Q. Was not the bulk of the imports into New York at that time, and the goods going into general-order stores, then on those steamers?—A. Mostly. It was only John G. Dale's line that did much here. The bulk of the business was brought by those steamers.

Q. You, as a proprietor of a bonded warehouse in New York, would think it right that the general-order business should come to this city?—A. Yes, sir; it belongs to New York, I think. It belongs to the citizens of this country.

Q. It is from that point of view you speak?—A. Yes, sir; I always did. I told Mr. Smythe that he ought to take it and have it all here. He said he wanted to, but it was so much trouble, and he did not want to have any more trouble now.

Q. The Inman line was the only considerable line that imported goods of that character into the city of New York?—A. Yes, sir.

Q. So that the great bulk, as I understand you, of the importation of goods that went into general orders, arrived on the Jersey side?—A. Yes, sir.

Q. And they were stored in general-order stores there?—A. Yes, sir.

Q. Would not that leave you but a very small fraction of the general-order business?
—A. It made the business rather poor for our side.

Q. Then the bulk of the general-order business was on that side?—A. Yes, sir.

Q. Yet during that period when the bulk was there, you were receiving packages at the rate you have mentioned here?—A. Yes, sir.

Q. Exclusive of the stores on this side, Livingston's, Coe & Lawrence's, and the Bridge street stores?—A. Yes, sir.

Q. If you had the general-order business now—that is to say, suppose your store was designated as general-order store, at what rates would you be willing to cart, receive, and deliver the goods on an average?—A. The cases I speak of I would charge and deliver at one dollar a case—what we call three to a load.

Q. Then the averages of the packages received at the port are about the size of A. T. Stewart & Co., and Claflin & Co.?—A. Yes, sir.

Q. You would be willing to undertake this general-order business at \$1 a case?—A. On this side of the river Claflin and Stewart have not very heavy packages.

Q. And for that you would guarantee promptness, safety, and careful handling of the goods?—A. Yes, sir; the same as I did before. I gave satisfaction to merchants at that time. I can show the satisfaction that I gave them. I wanted Mr. Grinnell to let me hold the business satisfactory to the merchants.

Q. I understand you that the facts in this letter which has just been read are true and you confirm them now?—A. Yes, sir.

Q. Would you not esteem it a favorable business for you to engage in—a profitable business—to take these general-order goods at the rates you have mentioned, an average of a dollar per package of the average size of those of Claflin, Stewart, and other merchants?—A. Yes, sir. If I knew I could hold it, I would have it at any time.

Q. You would feel that it would be a first-class business?—A. In the general-order business you would have to be at a good deal of expense for some time. It is not worth while to take it for six months, and then to give it up again. You have a large expense to meet. You have to have double officers and a first-rate class of men, so as to have no trouble with the merchants. That was the way I did. If there was any trouble with the merchants I went and settled it. If my man could not settle it, he would say that he should see Mr. Meyer, and I would go and see him, and see what the difficulty was, and settle it right off. In that way I had no trouble whatever.

Q. You had your business thoroughly systematized in its management?—A. Yes, sir.

Q. With the guarantee of something like permanence, you believe the business could be profitably conducted by you at those rates?—A. Yes, sir.

Q. It has been stated by a gentleman before this committee that a bonus would be paid for the privilege of having the general-order business designated for their stores, and your name was mentioned by Mr. Cooper in connection with the subject as being one who would be willing to pay a bonus for it. Will you state in reference to that to the committee?—A. All I remember of that is this: I think I was asked by some outsider, I don't know who it was, what the general-order business was worth. I believe I made a certain statement that way, that the general-order business, as it was now conducted with the Jersey City and Hoboken and New York stores here, and paying the prices they were paying, it was worth to pay for at the present time \$40,000. I remember a certain statement of those facts, but I never offered any money for it.

Q. My impression is that the statement, as made by you and reported here, was that you would be willing to give \$75,000 for the privilege as it is now.—A. I remember stating to that effect, that it was worth \$40,000 at the present rates. I do not exactly know what rates they charge, but I understand that they are 50 cents a case and up.

Q. You mean that with an average of a dollar and a half a case, you would be willing to give \$40,000 for the privilege of carrying on the business?—A. I stated that I thought it was worth that, but I did not state that I would give it, because I do not particularly want it. I have a plenty of warehouse business to attend to for Claflin, Benhardt & Hutton, Butterfield, and others—just as much as I can attend to—and I do not want it, except I get the business and make preparations for it; then I could do it satisfactory to the merchants and importers.

Q. Is that the statement you made to Mr. Cooper, of Stewart & Co.?—A. I believe so.

Q. Do you know whether you ever stated that it was worth \$75,000?—A. I do not know. The way he told me the charges were, it was probably worth \$75,000, but I did not say I would pay that for it.

Q. I understand that your theory, upon which you would take this business, is to do it upon the terms satisfactory to the merchants?—A. Yes, sir.

Q. And, therefore, you would not wish to take it unless you could reduce the charges to a condition which would make them satisfactory to the merchants?—A. Yes, sir.

Q. I ask you if the charges which have obtained for the last eighteen months were

to continue, what you would give for the business.—A. That is what I was speaking of when I was talking about it.

Q. That was your statement?—A. That if the prices remained, I do not know as I said \$70,000, but I said it would be worth \$40,000 to pay for, because at the prices they could get \$70,000.

Q. That at the prices charged by the present proprietors, it would be worth \$70,000 a year; is that your statement?—A. Yes, sir.

Q. But I understood that your view of it would be that you would not take the business at all unless you could make it satisfactory to the merchants?—A. Yes, sir.

Q. That would reduce the rates?—A. Yes, sir.

Q. And reducing the rates would reduce your profits?—A. I could not pay much for the business, and satisfy the importers, as I did before.

Q. The statement made by Mr. Cooper was, that you said as the business now stood, with the rates now charged, you believed it was worth \$75,000 a year to those who held it?—A. That is what I told him, that it was worth about that, the way he stated to me the charges and prices there.

Q. That was based upon his statement of the rates?—A. Yes, sir.

Q. Then, if the statement of the rates was correct, you estimate the value of that business to be \$75,000 a year?—A. I understood that the charges were a dollar and a half to three and four dollars a case, and I made the calculation upon that statement.

By the CHAIRMAN:

Q. What difference do you make in your charge for labor and storage of a package a day, and for the labor and storage for the same package for a month?—A. I charge the same.

Q. What difference do you make between your charges for performing a certain amount of labor and the storage of a package for only two or three hours, and the same labor and storage for a month?—A. They are the same.

Q. Suppose you perform the labor upon the packages merely where it is under your charge, but does not exactly come into your store, what difference do you make there?—A. I do not know; I never had a case of that kind.

By Mr. HOWE:

Q. I understand you to say that you think, if the general-order business was permanently secured to a warehouse-man now, he could safely undertake to do the carting, storage, and handling for \$1 a package?—A. Yes, sir.

Q. Do you mean to include in that the business that would come from the other side of the North River?—A. Yes, sir, I include that, but not at the same price as on this side of the river. We could not do it.

Q. What difference do the warehouse-men make in the charges for goods landed on the other side of the river from the charges on goods landed on this side?—A. The difference in cartage.

Q. About what would that be?—A. I believe the charge now is about 50 cents extra for cartage across from there.

Q. You evidently know about as much about warehouse business as anybody in New York; do you think that the general-order business ought to be done as low as the bonded warehouse business?—A. No, sir. They could not do it.

Q. Suppose it could be done as low, would it be desirable for the Government to have it done as low?—No, sir.

Q. It is an object, then, for the Government to have the charges so much higher as not to induce the merchants to let the goods lie in the general-order stores?—A. Yes, sir.

Q. I would like one more opinion from you. Unless some law were enacted which would give the general-order business to certain individuals for a given length of time, if you were called upon to establish the charges to be made for the business to-day, how would you fix them?—A. I would fix the charges at about the same as I stated. You cannot exactly put the charge on everything, because in the warehouse there is every day probably something different. You cannot exactly make the calculation always, and you must go by a certain principle, certain cases probably running 300, another 500, another 1,200, and another 1,500, and the way for you to arrange is from the rate-book. The charges in the rate-book are very low. Some articles are not in it at all, and when you find articles that are not in the rate-book, you want to go according to other goods that are similar.

Q. I do not exactly understand your answer. I am asking you now about another matter. You say that if the business is secured for a term of years, you could take that portion of the goods which are landed on this side to your store, and store, handle, and pay the cartage expenses at the rate of \$1 a package?—A. Yes, sir.

Q. And that those landed on the other side of the river could be carted to the store and delivered for about 50 cents more?—A. Probably less—probably \$1.25.

Q. Would you make any difference in those charges, considering the facts that the business is not permanently secured, and could not be except by a legal enactment?—A. No, sir; that is a pretty fair rate.

Q. Whether the term is short or long?—A. Yes, sir.

Q. That, then, is your opinion of the charges that should be made for this general-order business?—A. Yes, sir.

By Mr. BAYARD:

Q. Have you spoken of the cubic contents of the packages?—A. Yes, sir; they generally run from 21 to 27 cubic feet.

Q. That is what you base your charges upon?—A. That is what I am talking of now.

Q. You would be willing take the business back again at the same rates?—A. Yes, sir; but heavier packages we would charge more for.

By Mr. CASSERLY:

Q. Forty cubic feet make a ton measurement, do they not?—A. I do not exactly know how they charge.

Q. Do I understand you to say that if you had the general-order business, as it now is, for the whole of the North River, you would add 50 cents for cartage from the Jersey City side to the charge of \$1 a package?—A. That is what their charges are now.

Q. You do not mean you would add 50 cents to the dollar, so as to make \$1.50 on ordinary packages from Jersey City?—A. That is the way it is now. This gentleman asked me, if I had the whole business, what would I charge, and I said I could probably do it for \$1.25 a case.

Q. Did you not testify once here that your charge for these packages, when you had the business, was 34 cents for cartage, 34 cents for storage, and 34 for handling?—A. Some of them, and some 40, 40, and 40, and there were some that were higher.

Q. But we are speaking now of the ordinary-sized packages. Do I understand you to say, if you had the general-order business, you would take such packages at about the same rate—34, 34, and 34, or at a dollar a package?—A. Yes, sir.

Q. Packages averaging from 21 to 27 cubic feet?—A. Yes, sir.

Q. In that charge of one dollar you include 34 cents for cartage?—A. I calculate them at three to a load.

Q. Three to an ordinary cart-load?—A. Yes, sir.

Q. Does that amount of one dollar include 34 cents for cartage?—A. Yes, sir.

Q. How much would you add to that for mere cartage from Jersey City?—A. If I had the whole business, I probably could do it for \$1.25 a case of that size.

Q. But I am speaking about cartage.—A. The cartage from Jersey City is \$1.32 a load.

Q. Do you know the custom-house rates at this port?—A. Yes, sir.

Q. I find upon page 4 of the custom-house circular that the rates per package from Jersey City, ferriage included, are 35 cents; that, I presume, is taking one package with another?—A. Yes, sir.

Q. I understand you now, that the charge for a load from Jersey City to this city is \$1.30?—A. One dollar and thirty-two cents.

Q. How many packages would you take on that load?—A. Sometimes three, sometimes two, sometimes four, sometimes one.

Q. Would they average three and four?—A. I hardly think they can average three.

Q. Why can't you average it from the ferry if you can average it in the city?—A. If you had the business, you probably could average three, but it is pretty sharp.

Q. If you know any reason why a cart which carries three packages on an average on this side can't do it from the other side, using the ferry-boats for the greater part of the way, I wish to know it.—A. They can do it from the Bremen and Hamburg lines, but not from the Cunard lines. The Cunard lines have very heavy cases.

Q. I am speaking of ordinary-sized packages?—A. Yes, sir; with that calculation.

Q. Three packages, at \$1.32, is 44 cents each?—A. Yes, sir.

Q. That is about 10 cents or 11 cents more than your charge for cartage on this side on the estimate you made?—A. That is the way they calculate it. I stated I could do the business at \$1.25.

Q. If you can do it for \$1 per package on this side, and it costs you only 11 cents more per package to bring the case from the other side, why should you charge more than 111 or 112 cents to bring goods into general orders from the other side?—A. Because the goods from the other side from the Cunard line are so much heavier.

Q. But we are speaking of ordinary-sized packages now—three to a load.—A. Three to a load—that size we could do it in that calculation.

Q. For 112 cents?—A. I guess so—ordinary-sized packages.

Q. Cases such as have been described from 21 to 27 cubic feet?—A. Three to a load.

By Mr. STEWART :

Q. How many packages would average a load from the other side, taking those that come by the Cunard line and the others altogether? What would be an average load?—A. Sometimes we took two and sometimes we took three for the average load.

Q. You never took over three?—A. No, sir; excepting as—

Q. Did you oftener take two than three?—A. More two than three from the other side.

Q. The number is nearer two than three?—A. Yes, sir.

By Mr. CASSERLY :

Q. You have just said that the average by the German line was three?—A. By the German line alone; but you put it altogether, and it would come nearer two than three, because the Cunard steamers have heavy cases.

Q. The testimony of some witness here is, that the packages by the Cunard line run smaller than they do by the German line.—A. They might be smaller, and yet be a great deal heavier. Any warehouse-man getting goods from there knows the difference.

Q. The question asked you by Mr. Stewart was, what would be the number of packages you could take, taking them as they run? You might frequently get as many as twenty packages on a cart—small packages?—A. They can put on a truck probably twenty.

Q. But on a cart—these small packages; what do you think of them?—A. We do not get sample packages; they do not come to the public store, I believe.

Q. There are a good many small packages that go into the general orders, are there not?—A. Yes, sir.

Q. How many of them can you put in an ordinary cart-load?—A. Probably ten.

Q. Can you not put twenty?—A. It might be. We do not get so many on at a time.

Q. What do you say about cases of twine?—A. You can put on twenty.

Q. How about kegs of herrings?—A. You can put forty or fifty on of them, if not more.

Q. That is the basis upon which the custom-house charge is fixed at 35 cents, ferriage included?—A. That is the reason they put it low down to make it even with any such articles. I did not speak of Dutch herrings.

By Mr. STEWART :

Q. Do you count in these small packages in this estimate of \$1.25 as a proper charge from Hoboken to Jersey City?—A. Yes, sir.

Q. Taking the whole in, small and large?—A. The way that I have been testifying about it.

Q. Suppose there was a coil of wire, for every separate item the charge would be \$1.25, taking the average, large and small?—A. They cannot do that without a bargain with the carman.

Q. You could reduce the total charge on this side to a dollar, and for goods from the other side a dollar and a half, if you had the whole business management yourself?—A. With the average-sized cases, that is what I was speaking about.

Q. You mean you could make that price for the average-sized cases, then you would charge, for a less size, a smaller sum, and, for a large size, a larger sum; so as to make the general average come from a dollar to a dollar and a half?—A. The average which I speak of is three packages to a load for a dollar or a dollar and a quarter.

Q. You would have three to a load, and would charge on this side a dollar, and on goods coming from the other side one dollar and a quarter?—A. Yes, sir.

Q. And where the packages were more than three to a load it would be a less charge?—A. It would be where packages are not so large; they would be less.

Q. So that if you put a good many on a load they would be a good deal less than a dollar and a quarter.—A. Yes, sir; I have charged 85 and 90 cents when I was in that business some years ago.

Q. Then packages of the size of three to a load, the charge would be a dollar on this side and a dollar and a quarter if they came from the other side?—A. Yes, sir.

Q. But if the packages were so large that you could not take three at a load they would be higher, because the cost would depend upon the size?—A. Some packages run one to a load, and they would be more.

By Mr. CASSERLY :

Q. Do you mean to say that where you can take an ordinary Stewart or Claflin package of 21 to 27 cubic feet for \$1, you would charge as much as \$1.25 where it came from the other side?—A. One dollar and twenty-five cents on general orders where it came from the other side, and \$1 where it landed on this side.

Q. I understand you to say to me, in reference to this class of packages, that you could not take them for \$1.12 from the other side?—A. No.

Q. You stated your charges were 33 and 33 and 33?—A. That would be for small

cases; but the cases you speak of now, they would be a dollar landed on this side, and a dollar and twenty-five cents landed on the other side.

Q. As to this side we agree as to what you testified to, but I understood you before that for that class of package landed on this side the charge for cartage was 34 cents?—

A. Yes, sir.

Q. Of that class of packages making three to a load?—A. Three to a load.

Q. A load from Jersey City or Hoboken is \$1.32?—A. A load.

Q. That would be 44 cents a package.—That would be so.

Q. That is 10 cents more than the cost of cartage for the same package on this side?—A. Yes, sir.

Q. Then why do you not content yourself by adding 10 cents to \$1, so as to make the charge from the other side \$1.10 per package? Would not that pay you?—A. No, sir; it would not pay.

Q. I understood you to say it would.—A. One dollar and twenty-five cents would pay for that.

Q. Did you not say that you would be content with \$1.12, a while ago?—A. Then I misunderstood your question.

Q. You say now that you want to add twenty-five cents for an additional cartage on goods brought from the other side?—A. Yes, sir.

By Mr. PRATT:

Q. When you had the general-order business, did you ever receive into your warehouse any general-order goods from the other side of the river—from Jersey City and Hoboken City?—A. I did sometimes, when they were full. They would send them over to me—a cargo or so.

Q. Were general-order goods brought to your stores by custom-house carmen, as they are brought to Leet & Stocking's warehouse now?—A. Yes, sir.

Q. You were in the habit of advancing the cartage to carmen when they delivered the goods?—A. Yes, sir.

Q. Had you any control over their cartage?—A. So far as to have them bring a full load.

Q. They had to bring a full load of twelve hundred weight; then you paid them, according to the custom-house regulations?—A. Yes, sir.

Q. Did you make any profit upon the item of cartage at all?—A. No, sir.

Q. The merchant simply paid you for what you paid the carman in respect to cartage?—A. Yes, sir.

Q. So there is not any legitimate profit in that item of the business?—A. No, sir; we always charged the merchant for the amount we paid for his cartage.

Q. You never charged any interest upon the advance?—A. No, sir.

Q. How did you find out whether you got a full load; by weighing the packages?—A. We always have some man to attend to that entirely, who knows the minute he handles a case pretty near the size and weight of it. If there is a doubt between them, they put them on the scales.

Q. Suppose a cart brought two packages to your store, what will be the charges for those packages?—A. If it is pretty near a load, we have to let it go for a load.

Q. You pay him 35 cents for each package?—A. One dollar and thirty-two cents a load. Thirty-five cents is only an agreement between the carman and the warehouseman and the merchants, but the regular warehouse rates are \$1.32.

Q. A load?—Yes, sir.

Q. And you charged that, as a general thing, if there were but two packages?—A. Yes, sir.

Q. While you had the general-order stores was your store ever entered and robbed?—A. Not the general-order store; we kept night-watchmen always.

Q. You had a bonded warehouse also?—A. Yes, sir.

Q. And you never lost any general-order goods while you were in the business?—A. No, sir.

By Mr. CASSERLY:

Q. You stated just now that your rule was to collect from each merchant precisely what you paid the carman, and no more than the cartage?—A. Yes, sir.

Q. I understood you to say, however, that your charges in general-orders while you had the business were much lower than the present charges.—A. I do not know what the present charges are.

Q. Let us see if we cannot get at it in some way or other. You stated that you charged a dollar—A. Yes, sir; for some goods.

Q. Suppose you hear me out. For what class of goods did you charge a dollar?—A. The class of goods with three cases to the load.

Q. The ordinary dry-goods package, running from 21 to 27 cubic feet?—A. Yes, sir; I suppose so.

Q. And, in making your charge, you charged the merchants for cartage precisely what you paid the carman?—A. Yes, sir.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

DANIEL G. FOST, a witness, being duly sworn, testifies:

By Mr. HOWE:

Question. You are a member of the assembly of the State of New York?—Answer. I am.

Q. From what county?—A. Oswego.

Q. You took a part in the election of speaker?—A. I did.

Q. It has been suggested that you voted for Mr. Smith, the prevailing candidate?—A. I did.

Q. There has been a suggestion made to the committee as to the influences which guided your vote. Mr. Greeley was a witness before the committee, and he undertook to give a list of the members of the assembly who he supposed voted for Mr. Smith and against Mr. Alvord under the influences of Federal office-holders, and among other questions which were propounded was this: "Q. You have mentioned four representatives; can you name more?—A. I think he got two from Oswego County out of three by the influence largely of the collector and postmaster at Oswego. Oswego is a port of entry." You say that you are one of the representatives from Oswego County who voted for Mr. Smith?—A. I am.

Q. Perhaps you can tell us how much influence Federal office-holders had in directing that vote, and guiding that action.—A. I think you read that the postmaster and collector at Oswego had influenced me. I have never spoken to the postmaster on the subject in my life, and I never have spoken to the collector on the subject except in a casual way, as anybody talking upon a subject of interest. He never asked me to vote for any one, nor any one else.

Q. Who were your colleagues from that county in the assembly?—A. One was T. W. Green and the other C. S. Sage.

Q. Had you any means of knowing how these gentlemen voted?—A. No more than what they told me. Mr. Sage told me that he voted for Mr. Alvord, and Mr. Green that he voted for Mr. Smith.

Q. Do I understand you to say, then, that neither the postmaster nor the collector at Oswego exerted any influence to direct your vote?—A. No, sir; Mr. Smith and Mr. Alvord knew, I think, weeks before the canvass, how I stood.

Q. It was not an open question, in your part of the State, how you would vote?—A. No, sir.

By Mr. CASSERLY:

Q. Was a subpoena served upon you by the committee?—A. It was.

Q. Where?—A. At Albany.

Q. And you came here?—A. I received it yesterday morning and I came this morning. I received the subpoena in my mail yesterday.

Q. As you are aware, it is not a pleasant suggestion to make to a gentleman that he has been influenced by anybody in any votes which he casts. I suppose that we agree upon that?—A. I think I understand it.

Q. I would much rather not question you upon this point if I could avoid it. It is also true, I believe, that you and I have observed, in the course of our lives, that there is scarcely any subject upon which men are less willing to admit anything than that of influence upon them?—A. That is possible.

Q. Is not that your observation of men?—A. I think it is.

Q. Have you mentioned the name of the collector of Oswego?—A. I have not, but his name is Elias Roote.

Q. Where do you live?—A. In the city of Oswego.

Q. Do either of your colleagues live there?—A. No, sir.

Q. They are both taken from the county?—A. Both taken from the county.

Q. Was the collector of Oswego at Albany at the time of the organization or the contest on the question of speakership?—A. He was not.

Q. Do I understand you to say that neither the collector of Oswego, or anybody else, spoke to you about Mr. Smith for speaker?—A. I said that the postmaster never spoke to me at all, and with the collector I had only talked about the matter casually, as a matter of interest; nothing more.

Q. Perhaps the language you used before was a little ambiguous. You said, "The collector never asked me to vote for Mr. Smith for speaker, nor any one else."—A. I say that again.

Q. What do you mean by that, "for Mr. Smith or any one else"?—A. He did not ask me, nor any one else did not ask me.

Q. Do I understand you to say that no one asked you to vote for Mr. Smith for speaker?—A. I do not remember that any one did. I had decided to vote for Mr. Smith very soon after I heard who were the members.

Q. You say that you don't remember of any one asking you to vote for him?—A. I do not. It seemed to be taken for granted that I was for Smith.

Q. There was a pretty sharp canvass among members of the republican party?—A. Yes, sir.

Q. And a good deal of contest?—A. A good deal of contest.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

BENJAMIN TOMES, a witness, being duly sworn, testifies:

By the CHAIRMAN:

Question. What is your business?—Answer. The importation of hardware, cutlery, and fancy goods.

Q. How long have you been engaged in that business?—A. I have been a partner in the concern since 1847.

Q. In the importation of goods, have you recently sustained any loss?—A. Yes, sir; by a supposed theft in October last. A case of goods came by the steamship Cuba, of the Cunard line. We were notified from the appraiser's office that the case was in bad order, and that some goods had been abstracted. My partner went there and examined the goods with the appraiser. We found that £10 or £12 value of goods had been taken out. When the goods were passed, and the duty was paid, and they came to our store, we found that the value of the goods taken, including duty, was \$88 in gold. We sent a bill to Mr. Francklyn, the agent of the steamer for the amount, and he sent word back that he had a receipt for the case in good order from the carman. Then we went to see the carman, and they said they delivered the goods in the same order in which they had received them. That was all the satisfaction we could get, so we put the matter in the hands of our lawyer for collection, where it is now.

Q. To whom did the carman deliver the package?—A. To the appraiser's office.

Q. Did it go the general-order store at all?—A. Not at all. He was an appraiser's carman, I believe.

Q. You were notified that the case was in bad order before it was opened?—A. By the appraiser. My partner was present when the case was opened.

Q. What was the defect?—A. There was a deficiency of some £10 or £12. We have the appraiser's certificate that that was the deficiency.

A. Did you make a claim for the loss on the appraiser's department?—A. No, sir. We made a claim upon the ship as soon as we received the goods and got the exact particulars. We sent a bill down to Mr. Francklyn, the agent of the line, and he declined to pay, on the ground that he had delivered the case in good order. Then, of course, we went to the carman as our next step, and he said that he had delivered the case in the same condition in which he had received it.

Q. Do you know whether the case was marked in bad order?—A. Received in bad order.

Q. Did they give a receipt to the carman?—A. We cannot find out that they did; we cannot learn that the carman got any receipt. We applied to the office for it.

Q. You don't know that the carman has any evidence that he delivered the package in good order?—A. He signed a receipt for it in good order to the ship. Mr. Francklyn said that.

Q. You have no idea whether the loss occurred at the public stores, or before it reached there?—A. My first impression was that the case was robbed on shipboard, but afterward, from the apparent mark of a hook, which was ordinarily used on packages, inside, it was my impression that the case was robbed on the transit between the ship and the public store.

Q. Describe the condition in which the case was when you saw it?—A. I didn't see it until it was delivered from the public stores into our stores; I cannot remember that I saw it even then.

Q. What efforts have you made to secure the payment of the loss?—A. We have put it into the hands of our lawyer to sue the carman.

By Mr. BAYARD:

Q. What were the names of the carmen?—A. Gross & Garritt; they are public-store carmen, and are well known.

Q. I understand you to say that the steamship line has a receipt of Gross & Garritt that the package was in good order?—A. Yes, sir.

Q. When the carman arrives at the public store, is he not entitled to some check or receipt?—A. I should suppose so.

Q. Have you been able to find a receipt that he got, or any evidence of such receipt?—A. No, sir.

Q. Who has the custody of those receipts?—A. I do not know; he should hold a receipt, as a matter of course.

Q. Would or would not that receipt disclose whether it had been received at the ap-

praiser's store in good order or bad order?—A. I should suppose it would; but the receipt might not correspond with the condition of the case.

Q. If the case left the dock in good order, and the carman gets a receipt for it, and when it reaches the public store it is in bad order, would not the receipt for the case by the public store show it was in bad order?—A. It should.

Q. The receipt would show the fact?—A. Yes, sir; it should.

Q. You have not been able to discover any such receipt?—A. No, sir.

Q. Is there any record at the public store of the condition of the case on its arrival?—A. Yes, sir.

Q. What is that record?—A. That I do not know; we had a letter stating that there was this deficiency in the case, and that the case was received in bad order.

Q. Has he a record when that —?—A. I went to the custom-house to see.

Q. They did not satisfy you on that point?—A. No, sir.

Q. One object is to ascertain at what point this delinquency took place. If they had had a proper record of their receipts each day, in which imperfect packages would be entered, they could turn to it?—A. I suppose they should have such a one.

Q. Have they done so? You went to inquire.—A. No, sir.

Q. When were the goods landed from the ship; what date?—A. The entry was made upon the arrival of the ship. We had cases upon the same vessel that came direct to our store, and there were three or four cases that went to the public store, being from different invoices.

Q. How long after they were at the public store before you were informed that the package was in bad order?—A. I suppose almost immediately; the same day.

Q. Do you remember the fact?—A. I do not. I do not think there was any unusual delay in the case.

Q. How long ordinarily is it after the goods are passed to the public store before you get them out?—A. Sometimes a very long time.

Q. How long?—A. Sometimes as long as two weeks.

Q. Before you get them through?—A. Before we get them through. We are never apprised of their arrival at the public stores.

Q. How do you know how long this package had been in the public store before you were notified?—A. Simply because we had goods that came directly from the ship, and they were received, as far as my memory goes, the same day, showing that they had reached our goods.

Q. You say the package was marked by a hook?—A. I did not see that myself.

Q. Is it the same kind of hook that is used by carmen, and is used in public stores?—A. It is the ordinary loading-hook.

Q. Was it from the peculiar mark upon the case that you supposed it had been opened with the hook by the carmen?—A. No, sir; it was a package inside the case that had the mark of the hook. The case was broken open.

Q. Then if the same character of hooks is used by the carmen, as well as by laborers in the public stores, why should that lead you to the opinion that it was done by the carman, and not by the public store laborer?—A. I do not say that; I say it was not done by the ship; that was all I said. It was done between the ship and its arrival at the public store, I thought.

Q. You said that a hook had been used upon it?—A. I took it for granted that the receipt signed by the carmen was correct.

Q. Although there were marks of the instrument?—A. It was only to show that my claim upon Mr. Francklyn was not valid.

Q. As a matter of protection, could not the public stores, by a record made from time to time of receipts of goods in bad order, conclude the carman from denying that he had brought it there in bad order?—A. Undoubtedly such a record should be kept.

Q. Yet up to this time you have not been able to find any such record?—A. No, sir.

By Mr. HOWE:

Q. Have you asked for such a record yourself?—A. My partner has.

Q. Are you quite sure of that?—A. I am quite sure, and I am sure that there was not a receipt given, and that there is not a copy of the receipt in the custom-house. It looks natural enough that the carman should be the person to hold the receipt, and that a copy should be kept in the custom-house, but I understand there is no such. We applied to the appraiser for a certificate of the state of the case and damage.

Q. Do you say your partner applied to the public stores for that evidence, and has not found it?—A. He has not found it.

Q. This was about how long ago?—A. This was in October last.

By Mr. BAYARD:

Q. Have you any knowledge of the subject of investigation referred to this committee in relation to enforced settlements of undervaluation and frauds upon the Government?—A. Never. In all my experience we have never had any trouble. We have had an occasional loss from the public stores, but they have been trifling.

Q. We are asked to inquire into the extent of the practice of compromising with merchants who attempt to defraud the revenue; have you any knowledge of that kind?—A. I know we never have had any trouble of that kind.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

EDWARD H. BISSELL, a witness, being recalled, further testifies :

By Mr. STEWART :

Question. You spoke of having paid money to Mr. Wood, or Mr. Woods, who was an inspector, for keeping goods back and not letting them go into general orders, and that you made the arrangement to pay the money. Do you know this gentleman? [Pointing to Mr. Wood, the witness who was examined this morning.]—Answer. Yes, sir. I was not understood in my testimony. I was asked the question whether I had paid money, the Senator using the word “you.” I understood that he meant the firm. I did not pay the money personally.

Q. Who did you make the arrangement with?—A. Mr. Wood.

Q. This Mr. Wood?—A. Yes, sir.

By Mr. HOWE :

Q. Do you know his first name?—A. No, sir.

By the CHAIRMAN :

Q. You spoke of him as an inspector. Do you know certainly whether he was an inspector or not?—A. I do not know certainly ; it was my supposition, but I have received doubts on the subject since.

By Mr. CASSERLY :

Q. Do you know of any other case in which delays have been granted to merchants by the inspectors, in regard to keeping goods out of general orders?—A. Not to my knowledge ; I simply judge of it from what I have heard.

Q. What is the general understanding in New York circles as to that practice?

Mr. STEWART. I shall object to proof of general understanding, unless it is agreed that it shall not be improper to trace that understanding and find out what the facts are.

Mr. CASSERLY. I understand perfectly well the power that is back of that intimation, and therefore I will not examine this witness further, because I know it will prolong this investigation.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

JOHN MCCABE, having been duly sworn, testified as follows:

By Mr. CASSERLY :

Question. Please state upon how many days you have been here waiting to be examined?—Answer. I have been here since Monday morning. Saturday afternoon I came here.

Q. Upon what days were you here before that date, either in the custom-house or here?—A. I was at the Astor House on the 12th of January. That was the day I received the subpoena.

By Mr. HOWE :

Q. Has anybody called you up as a witness before?—A. No, sir. I believe I was called last evening, but I had gone out when my name was called. I had been since 10 o'clock.

By Mr. CASSERLY :

Q. Were you in the employment of Robert Edwards, the United States weigher, in this city, at any time?—A. Yes, sir.

Q. Just state at what time, if you please?—A. From the month of May or June—I am not positive which month—until the month of November, 1871—the 30th of November. That was the last day I reported.

Q. Your statement in your affidavit is that you were employed from May, 1871, up to and including the 30th of November?—A. I meant May or June, I wasn't positive as to the month.

Q. Upon whose recommendation or influence were you appointed?—A. John D. Lawson's.

Q. Who is John D. Lawson?—A. The political leader in the seventh assembly district.

Q. Had you any other influence or recommendation?—A. Not that I remember now.

Q. Do you know Colonel Fred. A. Conkling, in this city?—A. Yes, sir.

Q. Did he give you the benefit of his influence?—A. He wrote a letter there, I believe.

Q. In your favor?—A. Yes, sir.

Q. And recommended by Mr. Lawson and Colonel Conkling, you obtained this appointment?—A. Yes, sir.

Q. What was the appointment?—A. An assistant to the weigher in charge of a dock, pier 45, of the Inman line.

Q. What were your duties as assistant?—A. To take charge of the men employed to weigh up the weighable articles on the dock.

Q. Where was the district of Mr. Edwards?—A. Pier 44, up to Albany, I believe. I have heard them say so.

Q. Up to where?—A. Up the North River, so far as Albany. I have heard them say so; I don't know positively.

Q. It included piers 44 and 45?—A. Yes, sir; from 44 up.

Q. And you were generally on the Inman line?—A. Yes, sir; most of the time I was employed there.

Q. Did you become familiar with the mode and practice of doing business of Mr. Edwards and his men in his district?—A. Yes, sir.

Q. State whether Mr. Edwards made it a practice to weigh all the goods that were in his district.—A. No, sir.

Q. What goods did he omit to weigh?—A. Bundles of steel, antimony, bundles of iron, soda-ash, and at one time, I remember, sugar; that is, the weights were taken off.

Q. What was his practice as to nutmegs, do you remember?—A. Yes, sir; the weights were taken off them, also.

Q. When he failed to weigh such articles, how did he make his returns?—A. From the foreign weight; that is, the bundles were picked up and thrown away, and the weights called off.

Q. And those he put down on his books?—A. Those were put on the scrap-book, and the man in charge of the dock transferred them to the dock-book, and made a return to the weigher's office.

Q. Who took the weights off, and put them on the scrap-book?—A. One of the laborers.

Q. What did the foreman do?—A. He went over the district; may be two, or three, or four times a day.

Q. The foreman, then, wasn't always on your pier?—A. No, sir.

Q. How much of the time was Mr. Edwards there?—A. About twice a day; he went over the district once in the morning and once in the afternoon.

Q. How long did he stay at your dock each time, for instance?—A. Fifteen minutes or twenty minutes; I can't say.

Q. How much time did the foreman spend at your dock during the day?—A. Sometimes more and sometimes less.

Q. Was he there the greater part of the day at your dock, or was he there but a small part of each day?—A. He was there but a small part of each day; he went over the district, and a little of his time on the pier.

Q. Was not Mr. Edwards, as United States weigher, obliged to report to the custom-house from time to time, or did he go there as a fact?—A. I think both he and the foreman used to go there every day at 12 o'clock.

Q. How far is this district of his from the custom-house—how long a walk?—A. I should say a mile, or a mile and a half.

Q. You mean going and returning?—A. No, sir; going it is one mile.

Q. A mile each day?—A. Yes, sir.

Q. Then, what with visiting and going to the custom-house, say once a day, was Mr. Edwards or his man able to spend much time upon your pier?—A. Mr. Edwards spent very little of the time on any of the piers; but the foreman, as a general thing, went over the district very often through the day.

Q. Do you say that he didn't spend much time during the day at your pier?—No, sir; he would go on and come off.

Q. Yours was a very large and important pier in the way of business?—A. Not as large as the National line, as a weighable dock.

Q. It is the pier of the Inman line, isn't it?—A. Yes, sir.

Q. It doesn't bring so large a proportion of weighable articles as the National line?—A. No, sir.

Q. But still it brings a large amount?—A. Yes, sir.

Q. You mentioned an instance of sugar which hasn't been weighed by Mr. Edwards or his men.—A. There was a rush of work, when the pier is crowded, and in that case anything that the weights can be taken off from it is always done and let go. I

have taken the weights off sixty-five casks of sugar, that is, the foreign weight, and they all rode through and returned to the office as so much.

Q. Repeat your last remark.—A. They made a return to the office of the weights of the casks—the foreign weights.

Q. Why did you do that?—A. By order of the foreman. My orders were to weigh nothing that the weights could be taken off from.

Q. That was your general orders?—A. Yes, sir; from the foreman.

Q. Was any of the soda-ash ever weighed?—A. Never weighed, sir.

Q. Not even a few casks out of the lot?—A. Not even a few casks. I never remember testing soda-ash.

Q. You understand what testing is?—A. Yes, sir; making a test of one or two casks to see if weight corresponds with the foreign weight.

Q. Out of a lot?—A. Out of a lot.

Q. That was for the purpose of getting an average?—A. Soda-ash can't be averaged.

Q. Well, state how that is.—A. It runs from 750 pounds to 1,800 or 1,900 pounds, so the weight has to be taken off each cask.

Q. The cask, as marked with the foreign mark, runs from 750 pounds to 1,800 pounds or 1,900 pounds?—A. Yes, sir.

Q. You mentioned antimony as not being weighed. Are the receipts of antimony large at your dock?—A. No, sir; not so large as soda-ash.

Q. Do you know of any other instance of sugar being run off the dock without weighing, except the sixty-five casks that you have mentioned?—A. No, sir; that is the only one.

Q. Let me ask you were they casks or hogsheads?—A. Hogsheads.

Q. How did you class in your employment, as a weight-taker or a laborer?—A. I was placed in charge of a dock; that is, I acted for the weigher in his absence. In the absence of the weigher or foreman I represented the weigher.

Q. Who had charge of the beam and the weights?—A. A laborer.

Q. You didn't have charge of that?—A. No, sir.

Q. In the absence of the weigher?—A. I had the charge of the dock and charge of the men. I thought you meant who made weight.

Q. Whose duty was it, in the absence of the weigher, to order the frame to be set up?—A. My duty, sir.

Q. What was your pay?—A. Forty cents an hour.

Q. Do you know of any case of men being paid for time not actually spent in the duties in the district?—A. Yes, sir. I have known of the case of a man named John Ogletree, a permit clerk, who received pay as a republican challenger while he was away.

Q. What was his pay?—A. Forty cents an hour.

Q. How long was he away?—A. Four days.

Q. You mean four days at different periods, or four days all at one time?—A. He was away three days at one time, and then one day.

Q. You say he was paid at what rate?—A. Forty cents an hour.

Q. For how many hours?—A. Ten hours a day.

Q. Can you mention any other instance?—A. Except myself.

Q. Well, your own case is as good as any, I suppose.—A. I received the same while away as this man Ogletree.

Q. Upon what occasion were you away, and for how long?—A. I was away for four days.

Q. About what time was that?—A. Within ten days previous to the late election.

Q. The election of the last year?—A. Yes, sir.

Q. Upon political business?—A. Upon political business—yes, sir.

Q. What kind of political business took you away for that length of time?—A. As inspector of elections.

Q. What else did you do besides that?—A. I have been away at times to primary elections.

Q. Well, any other occasion when you were away from your duty on political business?—A. Not unless to primary elections, and as inspector of elections.

Q. How many days in all, during that time you were in the employ of Mr. Edwards, did you receive pay while you were actually away engaged in political matters?—A. I couldn't exactly say. I should judge some six or eight days.

Q. I understood you to say a week or ten days. Do you prefer to say six or eight days?—A. Before the election that was. Now you ask me how many days did I receive pay for.

Q. Then we misunderstood each other, perhaps. You were paid at what rate during the period you were off on political business?—A. Forty cents an hour.

Q. How many hours a day?—A. Ten hours a day.

Q. Is that a common practice, in your observation?—A. O, I haven't spoken to anybody about it; but I supposed from my getting paid that the others got paid also.

Q. Were any others away from their duties during any of the period you have been

speaking of, busy upon politics?—A. Yes, sir; to a primary election. A large number of the laborers went one afternoon.

Q. What did they go there for?—A. For the purpose of carrying a primary election for the weigher.

Q. For Mr. Edwards?—A. Yes, sir.

Q. What object was it to him to carry the primary election?—A. There was an opposition ticket run.

Q. What is the primary election for?—A. Delegates, I think, to the general committee, and officers of the district association.

Q. Was there much of a contest?—A. Yes, sir; it was quite a spirited contest.

Q. How many laborers went up from Mr. Edwards's district?—A. I should judge ten.

Q. Were they entitled to vote in the primary election?—A. Yes, sir; they lived in the district.

Q. Did they do anything besides vote at the election?—A. No, sir.

Q. They didn't interfere to prevent others from voting in any way, did they?—No, sir.

Q. Do you know of any practice on the part of the weighers by receiving money from the merchants outside of their pay allowed by law?—A. There is what they call a special return, or an additional return made out for the merchants, besides the return that goes to the custom-house; that return is made out and given to the merchant. When a man on the dock gets orders from the foreman to return the weight of those articles as soon as possible, and tell the clerk, Edward H. Lake, as I mentioned in the affidavit, to make out a special return, it is generally understood that there is money to be paid for that return.

Q. Money to be paid by the merchant, do you mean?—A. Yes, sir, or by the merchant's clerk.

Q. Do you know what amount is supposed to be paid?—A. I know of no amount, except in the case of pig-iron. I think they pay by the ton for additional time.

Q. That is the only case in which you know the amount?—A. That is the only case in which I know the amount.

Q. What is the amount in the case of pig-iron?—A. I don't know. I know they charge by the ton.

Q. In any other case, do you know anything about the amount usually paid?—A. No, sir. I mentioned that Edward H. Lake, I supposed, could explain that; he has made an affidavit here the other day.

Q. Is that a common practice on the part of merchants having iron or steel, for instance, arrive in that district?—A. I have always seen it so; if a merchant wanted a special return, or an additional return, his goods were always weighed off immediately, and the additional returns sent to him, either by the clerk or foreman.

Q. If he doesn't want such additional return, which, as you say, is understood to be always paid for, what is the result?—A. He has to take his turn the same as every one else, and wait for his goods.

Q. Do you mean the same as those who are willing to pay for a special return?—A. No, sir; those that pay nothing. The goods lie on the dock until it is convenient to weigh them, where, in the case of a special return, the goods are weighed, no matter how inconvenient to get at.

Q. Is it in the power of the weigher and his subordinates to delay the merchants in regard to their goods?—A. Yes, sir.

Q. Do you think of any instance now within your own observation?—A. Yes, sir; I remember a case of figs.

Q. An instance of figs?—A. Or currants rather.

Q. What was that?—A. The permit clerk went on to the dock, or rather to the custom-house, to copy the permit, and in copying a permit for four barrels of currants, he made a mistake and copied it fifty. The return was made to the office for fifty barrels, and sent to the custom-house. When the merchant went to pay his duties, he refused to pay it, having received only forty barrels. He came back to the weigher's office, and found great fault about the mistake. In a few days afterward, he received some cases of figs. When the foreman came down on the dock, he told me to hold them back, and not to weigh them until everything else was weighed. I acted under orders, and held the figs back, and had them blocked in, and kept them for four days, whereas I could have weighed them on the first day.

Q. What did the merchant think about it?—A. Well, he found great fault. He went to the office and complained that his goods could have been weighed before, if I felt disposed to weigh them. The foreman and weigher came on the dock, and I knew that the weigher knew what the figs were held back for; he asked me why the figs could not be weighed before; I told him the figs were blocked in and I couldn't get at them. He told me he didn't find any fault; that nothing should be weighed unless it could be conveniently got at.

Q. Have you ever known Mr. Edwards to object to the practice of hurrying up the

weighing for such merchants as were willing to pay for this special return?—A. I don't understand you.

Q. Have you known Mr. Edwards to object to the practice of favoring merchants in the weighing of their goods, who are willing to pay the special returns?—A. No, sir; I haven't known him to object.

Q. Do you know anything of the weighing of merchandise by the city weighers and the weights taken off by the United States weigher?—A. The weights taken by the United States weigher from the city weigher?

Q. Yes, sir.—A. No, sir.

Q. The city weigher doing the work?—A. No, sir.

Q. You don't know anything of such a practice?—A. I know of such a case as the city weigher standing on the dock and as the United States weigher weighed, taking each weight from the book of the United States weigher, as it was read by the United States weigher.

Q. I spoke of a directly contrary practice, where the city weigher does the weighing for his employer, and the United States weigher takes the weights of the city weigher, and returns them to the Government.—A. I have never seen that.

Q. Do you know how long Mr. Edwards has been in office up to this time?—A. I think about seven months, as near as I can recollect.

Q. You are speaking of Mr. Edwards?—A. Yes, sir.

Q. You say that you held this place until the 30th of November, 1871?—A. Yes, sir.

Q. You were then removed?—A. Yes, sir.

Q. On what ground did Mr. Edwards, when he removed you, assign any ground for it?—A. No, sir.

Q. Did he find any fault with the performance of your duties?—A. No, sir; when discharged I went to the weigher and asked him if there was any cause for my discharge; he told me no, he was perfectly satisfied with me, and so was the foreman, and he would be glad to keep me, but that Mr. Murphy would not permit me to do so.

Q. What had you done that should displease Mr. Murphy, that you know of?—A. I know of nothing except attending a reform meeting, where republicans were denounced as being corrupt.

Q. Do you remember who spoke at that meeting?—A. I think the speaker was Colonel Frederick A. Conkling.

Q. He thought they required reform as well as the Tammany men?—A. Yes, sir; he advised all men present to vote for honest men, no matter by what party nominated.

Q. Those were Colonel Conkling's views as expressed—you attended that meeting?—A. Yes, sir.

Q. And for that you were discharged, as you understood the matter?—A. That is the only reason I can assign.

Q. Had you always done what you could to carry out the political views of Mr. Edwards before that?—A. Yes, sir.

Q. Did he ever send you to a primary election or on any political work?—A. He has ordered me to attend primary elections.

Q. For what purpose?—A. Well, I didn't know particularly what purpose; he wanted me to be on hand.

Q. Well, can't you guess what his object was in asking you to attend primary elections?—A. I suppose his object was to have a crowd there, so that the other crowd wouldn't beat them on anything.

By Mr. PRATT :

Q. Was that what he said?—A. That was his object.

Q. (To Mr. CASSERLY.) You are not asking him to guess?

Mr. CASSERLY. I asked him if he could guess what the object was of his sending men there to these primary elections.

By Mr. CASSERLY :

Q. What object could he have in sending men to the primary elections?—A. His object was to have a crowd as large as the other crowd, if not larger; that was the only object I could see.

Q. You went there with his crowd?—A. I went there, sir, with his crowd.

Q. What was the result; which side won?—A. Mr. Edwards's.

Q. Did you know anything of a party sent into Connecticut at one time to carry an election there?—A. I have heard so.

Q. You don't know anything about it?—A. No, sir.

Q. How did you understand the fact?—A. I think it was two years ago, if my memory serves me right.

Q. Did you hear any names mentioned in connection with it?—A. No, sir.

Q. Is there anything else which you wish to mention?—A. No, sir; with the exception that I have known a man to be appointed night-inspector who, when appointed, could not write out his own application.

The CHAIRMAN. Did he go to Connecticut?

Mr. CASSERLY. No, sir.

Q. (By Mr. CASSERLY.) What are the duties of a night-inspector, if you know?—A. I think, to watch the steamer to see that nothing is taken off. This man I spoke of was afterwards promoted roundsman.

Q. A roundsman is a sort of supervisor, is he, who makes inspection?—A. Yes, sir.

Q. Is he required to certify anything and make returns in writing?—A. Yes, sir; I think in case of making a charge against a night-inspector for neglect of duty or anything like that the charge is to be made out in writing; I should judge so.

Q. And even as night-inspector, before he is made roundsman, if he makes a seizure he is obliged to make it in writing?—A. I should judge so; I don't know the fact.

Q. Who is this man who was appointed roundsman?—A. Gabriel Van Cott. At the time he was appointed I know, to my own personal knowledge, he couldn't read a newspaper.

Q. How do you know it?—A. Because I have read articles out of the paper for him.

Q. Was that at his request?—A. Yes, sir; at his request and that of his brother. I might state here that this Van Cott family are a great family for holding places through politics. I knew of nine of them that were holding places to my knowledge.

Q. Were both brothers holding office at the time you mention?—A. Yes, sir; two of them were in the custom-house and one of them in the Internal Revenue Department, and one of them—Gabriel—couldn't read the newspapers.

Q. You say he couldn't read the newspapers?—A. Yes, sir; I judge he couldn't or else he wouldn't have me to read articles out for him.

Q. Did that happen more than once?—A. Two or three times—half a dozen times.

Q. Did he state why he asked you to read the newspaper for him?—A. If it was a political article it was they were reading he would like to have it read for him and requested me to do so.

Q. Could he read the article himself?—A. I think not.

Q. What do you know about his writing?—A. Well, when he went to the custom-house to get examined he tied a pocket-handkerchief around his hand under the pretense that he had a sore hand, and got through in that way. I judge he didn't have to make out his application on account of his sore hand.

Q. Do you know who made it out for him?—A. I don't know, sir.

Q. Did Van Cott tell you that?—A. I saw that myself.

Q. O, you did?—A. I saw him tie the pocket-handkerchief around his hand.

Q. Did he explain to you why he tied it around his hand?—A. No, sir; but I knew the purpose it was done for.

Q. When was that appointment made?—A. I think very nearly two years ago.

Q. Do you know what part of the State Gabriel came from?—A. New York City, I am told.

Q. Is there anything else you wish to mention?—A. No, sir; except in the case of a delegate to the assembly convention being taken to the custom-house before the assembly met and promised an appointment to vote for a certain candidate.

Q. What delegate was that?—A. William Merton.

Q. Who was the candidate?—A. Horatio M. Twombly.

Q. That is the gentleman who is now in the assembly, isn't it?—A. Yes, sir.

Q. When was this?—A. Before the late election.

Q. The last election?—A. Yes, sir.

Q. Who made him that offer?—A. I think it was Mr. Murphy.

Q. Did Mr. Merton vote that way?—A. Yes, sir.

Q. How do you know this?—A. I saw him going into the custom-house and judged the purpose he was taken there for and afterwards told by a clerk. He went to the convention, voted with the party, and afterwards received the place.

Q. You say you was told something by a clerk. What was it you was told by a clerk?—A. That he was taken there and promised a place for the purpose of securing his vote.

Q. What was the place?—A. Messenger.

Q. Do you know what the pay of this place is?—A. I have heard \$800.

Q. Is he still in that office?—A. Yes, sir.

Q. Did Mr. Edwards ever do any weighing himself?—A. No, sir.

Q. Does the foreman ever do any weighing himself?—A. No, sir.

Q. Who is it that makes the weight?—A. Makes the weight of the beam?

Q. Yes, sir.—A. A laborer.

Q. Does he make a record of the weight?—A. Yes, sir; from the beam.

Q. And he is a laborer?—A. Yes, sir.

Q. Well, are the laborers sworn to do their duty?—A. No, sir.

Q. Is this weight inspected by the weigher or the foreman at all; have they any other knowledge of the truth of these weights and their accuracy except what the laborer who makes the weight tells them?—A. The man in charge of the dock, twice or three times a day, will test the beam to see if the beam works correctly.

Q. That is simply to ascertain whether it was in order for proper weighing and would make the weight true?—A. Yes, sir.

Q. Suppose there are five hundred hogsheads of sugar upon that dock, has the weigher or the foreman any knowledge of the true weight of that sugar except what that laborer who takes the weight gives him?—A. No, sir.

Q. That is all?—A. That is all.

Q. Can you explain to the committee where the services of the weigher of the district come in?—A. I can't. I never saw the weigher perform any service in the weighing department, with the exception of signing checks and blank returns.

Q. Then, personally, he does not test the accuracy of these weights, nor does he see the weight made at all?—A. I have never seen him; sometimes he may come on the docks and look at the beam.

Q. But not as a rule and as a duty; that is what you say?—A. Yes, sir.

Q. About these laborers who are paid, are they employed for any term?—A. No, sir; they report each morning at the office.

Q. Suppose one of them should be sick or away, you would take any other man, who seemed a strong, hearty man, who stood by?—A. Yes, sir, I have often seen that done.

Q. And it is upon the accuracy of the weights so taken that the Government depends for its duties?—A. Yes, sir.

Q. What was Mr. Edwards's occupation at the time of his appointment?—A. I don't know, sir, but I have heard he kept a general-order store before he was appointed.

Q. You don't know of his having any other occupation than that at any time?—A. No, sir.

Q. Have you ever seen any irregularities in the weighing out of one or two cargoes of coal at any time?—A. There are two gas-houses in that district, one at the foot of Eighteenth street and the other at the foot of Forty-second street. Sometimes there are one or two steamers at each place, and there is only one tally-man from Thirty-second street all along. He takes the weights from the gas company.

Q. He takes the weights from the owners of the coal?—A. From the gas company.

Q. It is the gas company's coal, isn't it?—A. Yes, sir.

Q. Are you speaking now from your personal observation?—A. From a man having told me so that took this Mr. Washburne's place—the tallyman—when he went up the State on electioneering purposes before the last election.

Q. He went up into the State where?—A. I think the same county that the surveyor lives in; I forget the county now.

Q. You mean Mr. Cornell when you say the surveyor?—A. Yes, sir.

Q. What did you learn from this man who took Washburne's place when he went out on politics?—A. That there were always one or two steamers discharging at each gas-house, and only one man to take the weights from both places, and that he had to take the weights from the gas company.

Q. Is it possible for any one man to take the weights, with any sort of accuracy, under such circumstances?—A. He can't do it.

Q. He can't?—A. He can't do it in both places.

By Mr. PRATT:

Q. You made this affidavit, which was sworn to on the 25th of January and has been presented here?—A. Yes, sir.

Q. Who wrote that affidavit for you?—A. I don't know the name of the gentleman.

Q. Did you ever see him before?—A. No, sir, I never saw him before until that day.

Q. Did he come to you to get this affidavit or did you go to him?—A. I went to him.

Q. What induced you to go to him?—A. Nothing.

Q. Who suggested you should go to him and make this affidavit?—A. No one.

Q. You acted simply upon your own suggestion, did you?—A. Yes, sir.

Q. What was your motive in making the affidavit and sending it before the committee?—A. I thought it was my duty to do so.

Q. For the purpose of showing the irregularities and frauds in the custom-house management?—A. Yes, sir.

Q. Did you publish these frauds while you were assistant weigher?—A. No, sir.

Q. Why didn't you?—A. Because I would have been discharged for doing so, I suppose.

Q. Why did you publish them after you were discharged?—Because I considered it my duty to do so.

Q. Wasn't it equally your duty before?—A. No, sir; I considered it a duty of the weigher.

Q. That duty began, then, after your discharge?—A. No, sir; I didn't say that.

Q. When did your duty to publish these frauds begin?

Mr. CASSERLY. I think I might criticise my brother Pratt as sharply as he criticised me when I used the word "guess." You will pardon me for mentioning it as readily as I pardoned you.

Mr. PRATT. Certainly.

Q. (By Mr. PRATT.) Did you take an oath when you were appointed assistant weigher?—A. No, sir.

Q. Nor gave any bond?—A. No, sir.

Q. Did I understand you to say that you were appointed by the weigher of the district, Mr. Robert Edwards?—A. I was sent to the weigher by Mr. Murphy.

Q. Who appointed you?—A. Mr. Robert Edwards made the appointment.

Q. You were appointed, then, by the collector of the port, on the recommendation of Mr. Edwards?—A. No, sir.

Q. How do I understand you, then?—A. I was recommended to the collector and the collector recommended me to Mr. Edwards.

Q. Recommended you to Robert Edwards, to be appointed by Edwards?—A. Yes, sir.

Q. Do you think you were necessary as an assistant to Mr. Edwards?—A. Yes, sir.

Q. You think he had more duties than he could perform?—A. I don't understand the Senator.

Q. I mean this: Do you think the interest of the Government required that Mr. Edwards should have an assistant on this pier?—A. Yes, sir.

Q. Your services, then, were actually needed?—A. Yes, sir.

Q. You were appointed to this position in May, I understand, 1871?—A. May or June.

Q. And continued in it until the 30th of November, 1871?—A. Yes, sir.

Q. Who was the foreman of the weighers?—A. Edward Wilks.

Q. Is he in office yet?—A. Yes, sir.

Q. When was he appointed?—A. He came there with Mr. Edwards, I think, some time in the month of May or June. I don't know which month.

Q. Last May or June?—A. Eighteen hundred and seventy-one.

Q. Were you under the control of this foreman or were you superior to him?—A. I was under the control of this foreman.

Q. Over how many piers did your jurisdiction extend?—A. Over one.

Q. Which was that; 44 or 45?—A. Forty-five for part of the time and 44 for a part of the time.

Q. You say it was a common practice while you were assistant weigher for bundles of steel, iron, antimony, and soda-ash, and, in one instance, casks of sugar not to be weighed—that the weights were taken off?—A. Yes, sir.

Q. I will ask you to state now, and to give the committee the instances, when these irregularities occurred—what cargoes and at what time.—A. That I can't do. I never kept a note of it. It was a general practice.

Q. Was it a general practice not to weigh bundles of steel?—A. Yes, sir; that the weights were marked on.

Q. Had you any instructions from Mr. Edwards not to weigh any such articles as you have mentioned?—A. My orders were from the foreman to weigh nothing that the weights could be taken off of.

Q. These instructions always proceeded from the foreman, and not from Mr. Edwards?—A. From the foreman.

Q. How large was this foreman's district whose name you gave me a moment ago?—A. From pier 44 to Forty-second street, and, I have heard, away up the North River as far as Albany. I have heard that that district extended that far.

Q. How many piers were included?—A. That I couldn't tell. It would take in five steamship piers.

Q. And it was the business of the foreman to go over the whole district?—A. No, sir; not over the whole district. He went over the steamship piers, and, if there was anything on pier 49, I never remember him to go up further.

Q. Was the foreman ever present at the time these articles were weighed?—A. The weights were taken off.

Q. No; I don't speak of that. I speak of articles actually being weighed. Was it a common thing for him to be present?—A. No, sir; sometimes he was present.

Q. Were you always present on your pier when articles were weighed?—A. Always.

Q. Did you take a note of the weight to see that they were correct?—A. No, sir; the man at the scale took the weights.

Q. Did he report to you?—A. He returned the scrap-book each night.

Q. To whom?—A. To me.

Q. Did you ever know of any other instance except the one that you mentioned, wherein there was a great rush of work, that sixty-eight hogsheads of sugar were passed without being weighed?—A. Sixty-five.

Q. I understood you to say sixty-eight. Did you ever know of another instance of that kind?—A. Yes, sir; but I don't remember that sugar was run off. I have known cases of merchants taking the whole of their goods off the dock, and the tare clerk would go to the house of the merchant and get the invoice weight. Mr. Edwards has five clerks; and the tare clerk would get them.

Q. For the purpose of getting the foreign weights?—A. No, sir; getting the invoice

weight of the goods rode off the dock by the carman for the return for the custom-house.

By Mr. CASSERLY :

Q. It was the tare clerk that went?—A. The tare clerk.

By Mr. PRATT :

Q. Will you give us the name of that merchant?—A. I don't know the merchant.

Q. Do you know where his place of business was?—A. No, sir. I know he rode off the dock, by orders of the foremen, to let them go. It was wire.

Q. Who gave you this order to weigh nothing where weights could be taken off the articles?—A. Edward Wilks, the foreman.

Q. And you say he is still in the custom-house employ?—A. Yes, sir.

Q. Did I understand you that soda-ash was never weighed?—A. Never weighed.

Q. How many cargoes have you known where it was passed without being weighed?—A. A great number. I could not exactly tell the number, but a great number.

Q. Did you not know that it was your duty to weigh these articles?—A. I could not disobey the orders of the foreman.

Q. I am asking you, as an assistant weigher, whether you knew that it was your duty to weigh all these articles?—A. I did not.

Q. What did you suppose you were there for, as an assistant weigher?—A. To act under the orders of my superior officers.

Q. What did you suppose an assistant weigher was appointed for?—A. To weigh up the weighable cargo of each ship on the district.

Q. Did you suppose it was right to pass these articles without weighing them?—A. That I was not able to judge of.

Q. Did you ever learn it was improper until you were dismissed the service?—A. Yes.

Q. What time did you learn that it was your duty to cause all these articles to be weighed?—A. During the time that I was employed.

Q. When you learned that, why didn't you act up to your convictions of duty?—A. I could not very well do so without acting contrary to the orders of the foreman.

Q. What were the men under your control employed about, if they didn't weigh the cargoes?—A. They merely picked up the bundle of iron and called the weight off and then threw it aside.

Q. Did that occupy the day?—A. Yes, sir.

Q. They had plenty to do then, without weighing these articles?—A. Yes, sir; the men that were on the pier; not at all times.

Q. How many men were employed on that pier?—A. According to the amount of work on that pier.

Q. It varied from day to day?—A. It varied from day to day.

Q. What was the maximum, and what was the minimum, and what was the average number?—A. The average about eight.

Q. About eight men?—A. Yes.

Q. Now, if you didn't weigh steel, iron, antimony, soda-ash, sugar, and nutmegs, pray tell the committee what you *did* weigh?—A. Casks of ocher, bales of wool, hops, bags of rice, bundles of steel, that the weights were not marked on, sheet-iron that the weights were not marked on, and several other articles.

Q. You omit, as I understand you, weighing all articles where the weights were marked upon them?—A. Yes, sir.

Q. Do you suppose, as a general thing, those marked weights were correct?—A. That I could not judge.

Q. Would you never test a cargo?—A. Sometimes, not always.

Q. Take soda-ash, for example. Suppose that there were four hundred casks of soda-ash, would you weigh a certain proportion of the casks to ascertain how the weights run?—A. No, sir.

Q. You received no higher compensation than a common laborer, as I understand, 40 cents an hour?—A. Forty cents an hour.

Q. You speak of men who were paid at that rate of compensation without performing any service; among others, you speak of John Ogletree; you say he was away four days. Was that while you were assistant weigher?—A. Yes, sir.

Q. What service, was he away on?—A. As a republican challenger at the election.

Q. Where was he?—A. In the Eighth ward; I don't know the district.

Q. How do you know that he was paid during these four days?—A. He has told me so.

Q. That is your authority for it; who makes out the pay-roll?—A. The clerk.

Q. Do you ever see that except when you sign your name to it and get your pay?—A. Yes, sir.

Q. Did you ever see his name on the pay-roll for this time that he was absent as a political challenger?—A. I did not look.

Q. Your only authority, then, is what he told you?—A. Yes, sir.

Q. You say that you were away on political errands for six or eight days, I understood you?—A. Yes, sir.

Q. And that you were paid at the rate of 40 cents an hour for this?—A. Yes, sir.

Q. Where were you and what was the service you were performing that six or eight days?—A. An inspector of registration and inspector of election.

Q. Who sent you away on this service?—A. I was not sent away.

Q. And had Mr. Edwards, or your foreman, anything to do with your performing this political service?—A. Yes, sir; there was a man placed in my place on the pier while I was away; I spoke to them about going away.

Q. To whom?—A. To Mr. Wilkes.

Q. The foreman?—A. Yes.

Q. Did you apply to Mr. Edwards?—A. No, sir.

Q. What did Mr. Wilkes say; did he say that your pay should go on during your absence?—A. I spoke to him in regard to it.

Q. What did you say to him?—A. I told him that I would like to get "checked up."

Q. What is that?—A. Pay for each day that I was away; he told me he would see to it; and I received the pay.

Q. Did you receive any pay for this service as inspector of election?—A. Yes, sir.

Q. How much per day?—A. I have not received it as yet.

Q. How much were you to receive?—A. Ten dollars a day.

Q. That was to be paid out of the political fund, was it?—A. Out of the city and county.

Q. Then you say you were inspector of registration; were you paid for that?—A. Yes, sir.

Q. By whom?—A. By the county; it is the same. I was an inspector of registration, and on election day inspector of election.

Q. And Mr. Wilkes told you that your compensation should go on the same as while you were there?—A. Yes.

Q. Did you think that was honest?—A. I could not judge of that part of it.

Q. While we are discussing, in a free and easy manner, custom-house irregularities, I would like to have your opinion whether you think that that was exactly according to Gunter?

Mr. BAYARD. I remember my suggestion to him about something else, and you made an objection, and I therefore withdrew my remark. Now, I submit to you that the question of reproaches to his part of the transaction will never strengthen or weaken his testimony.

Mr. PRATT. That may be so; and I will not press the question.

Mr. BAYARD. Reproaches to him, however just they might be in your mind or mine, would not assist in this investigation.

Mr. PRATT. That is true.

Q. The fact remains, however, I understood you to say, that you were paid by the city and by the county.—A. Paid by the county, I said.

Q. And paid by the Government for services performed for the county and the city and not performed for the Government?—A. Yes.

Q. You say that you judge that others got pay in the same way that you did. Have you any information upon that subject that you deem reliable?—A. No more than I have heard some of the laborers speak over it.

Q. What did they say to you?—A. I heard one say that he got pay for election day while off and away.

By Mr. CASSERLY:

Q. Will you let me ask him a question about John Ogletree? What duty was he performing, of a political character, while he was away?—A. Republican challenger.

Q. He was not an inspector or supervisor?—A. No, sir.

By Mr. PRATT:

Q. You speak of a large number of laborers attending a primary at the instance of Mr. Edwards, the weigher. Did I understand you that this primary was held during the day-time?—A. In the afternoon.

Q. They are commonly held at night?—A. The enrollment, and afterward the primary.

Q. What time was that?—A. I judge from 2 o'clock in the afternoon.

Q. I mean what time in the fall?—A. I cannot recollect the time.

By Mr. CASSERLY:

Q. Did you understand him, Senator, as I did; that this proceeding seemed to have two parts to it—first the enrollment and then the election?

The WITNESS. First the enrollment. They come to enroll their names, and afterward is the primary election.

By Mr. PRATT:

Q. How long a time would they be absent for the purpose of enrollment?—A. Five hours.

Q. Do you know that they were all paid, during that five hours, at the rate of 40 cents an hour?—A. I don't know that.

Q. Do you know that they were paid during the time that they were attending the primary?—A. I cannot say.

By Mr. CASSERLY:

Q. You stated that when you got the appointment under Mr. Edwards you were recommended by Mr. John B. Lawson and Colonel Frederick A. Conkling. Is Mr. Lawson a prominent man in the republican party?—A. Yes.

Q. Quite so, is he not?—A. Quite so.

The CHAIRMAN. If there are no objections, Mr. Snyder will be heard.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

F. H. SNYDER sworn and examined.

By Mr. BAYARD:

Question. What is your full name?—Answer. Frederick H. Snyder.

Q. Where do you reside?—A. Jersey City.

Q. What is your occupation?—A. Manufacturer.

Q. Have you any knowledge of the passage of articles subject to duty by inspectors?—A. I have.

Q. Without the payment of those duties?—A. Yes.

Q. Just tell the committee the instance, and give the date of the occurrence, and all its particulars, without further questioning.—A. On the last Thanksgiving day I had occasion to go with a friend to the Inman steamer City of London, I believe, to meet some friends that were coming from Europe, and while there I was admitted with him inside the custom-house lines. I noticed while there several articles being passed without the payment of duties. What attracted my attention the most at the time was the passage of a box of jewelry. It was a leather box, I should say 12 inches square by 12 inches—about 12 by 12—and I should say 6 inches deep, with several drawers in it. I should judge there were three cases inside of the box, filled with—one of the cases had rings in—I should say three or four dozen rings; another had watch-chains. I think the balance was principally watch-chains and charms.

Q. Were they apparently new jewelry?—A. They were new jewelry; I examined them; I had some of the rings in my hand. They were mostly seal rings, and some diamond rings; I judge they were diamonds by the looks of them.

Q. Were they passed free of duty?—A. Yes.

Q. Was anything, in your view, paid which produced that result?—A. No, sir; I could not say that there was. I know I noticed the case quite closely to see what disposition was made of it, and I saw it put back in the trunk, and the trunk taken off the dock by the porter of the dock.

Q. Was the trunk marked with a chalk mark and passed?—A. Yes; I saw the inspector mark the trunk.

Q. Was that mark to pass it?—A. Yes; I talked with the man about it afterward. He had several other trunks, and among the baggage he had a couple of double-barreled shot-guns. The inspector rather objected to pass both of those, but he finally passed them. He said a man would not want but one gun.

Q. What character of man was this; was he a man engaged in trade?—A. Yes, sir; I should judge by his looks he was a man that came out for pleasure rather than business, but still, the style of his baggage—he looked more like a traveling peddler than anything else, although he was dressed in rather a hunter costume. I should judge he was going hunting.

Q. Where did you see him subsequently, this man?—A. I have not seen him since.

Q. Where did you see him after the jewelry box was closed with this number of rings in?—A. I saw him on the dock, and talked with him on the dock, and talked with several of the passengers as they came off the vessel. I should say I was there an hour waiting.

Q. Did you find other cases of a similar character on board that steamer?—A. I did; one case, although I could not say that the goods were passed that were liable to a duty, but while I was in I heard the inspector say that if he passed those goods he should expect to be remunerated for it, or something to that effect. I afterward understood that he was paid \$5 for the passage, although I don't think the goods were liable to duty.

Q. But he said at the time that he should expect to receive something?—A. A gentleman and his wife came off the vessel—that is the case—and they had three trunks and some household furniture—three large cases that were still on the vessel, that would not be discharged until the next day. The inspector that examined their trunks found a silver service with their name marked on it—a presentation, I understood, and, in fact, it was so stated on the inspection. He told them that he didn't think he ought to pass it; he asked them if they had used it, and they told him no, it was given to them just previous to their departure. He said if they never had used it it would be subject to a duty. He asked them then if they had any more baggage. He told them they had these three large cases on board of the vessel. "Well," he said, "you can put this on board of the truck, and to-morrow you come right to me, and, of course, if I pass them I shall expect to be remunerated for my service." I could not give his exact words, but that was the idea.

Q. This was the inspector whose duty it was to examine the passengers' baggage?—A. Yes; there was, I should say, five or six inspectors on the dock engaged in examining the baggage.

Q. What was the result; was that bargain carried out?—A. I was informed by a party the next day that they got the cases; they were never opened at all. He passed them without any difficulty.

Q. Do you know what the contents of this case were that were so passed the next day?—A. They were household goods mostly. I saw a great many of them; I don't think there was anything of them that was subject to duty, although he told me that he gave the inspector \$5.

Q. That was for his civility, and not giving him trouble in this case?—A. Yes.

Q. This was on Thanksgiving day?—A. Yes; at the landing of the City of London, I think, by the Inman line.

Q. Were there many persons there; a great number of people at this time?—A. Of the passengers?

Q. Yes. Just describe to the committee what this scene was like, and where this examination took place, and the arrangements that were made, where this box of jewelry and rings was examined.—A. As soon as the vessel—it was some time coming in; it had quite a small passenger-list, I should judge, but still quite a large amount of baggage—when the vessel was made fast to the dock, the dock was cleared by the police and inspectors on the dock, and the custom-house lines were put up, and the ropes drawn across the dock, and none were supposed to be admitted except what had passes from the collector.

Q. Similar to this room?—A. Yes; none were admitted inside the lines except those who had passes from the collector, or officers and public. The friend I went with had a pass, and he was admitted, and I was admitted, although I had no pass, but I was admitted inside of the line. The baggage was first brought off, and the most of them had the names of the passengers on. I noticed inside the line among the number that was admitted inside the custom-house lines quite a noted emigrant swindler, and I called the attention of one of the officers or inspectors to it. I asked him if he knew the party. I saw him examine the baggage as it came off.

Q. This emigrant swindler?—A. He said, "Yes; he knew him." Said I, "It looks rather strange to me, if you know the party that you would admit such a person inside the lines to ply his trade upon the passengers." "Well," he said "he has a pass from the collector to come in here." I think he is a runner for some railroad.

Q. A pass from whom did you say?—A. From the collector.

Q. Was he a notorious man?—A. Yes; he is a man that is known to the police generally here. He formerly kept a place on the corner of West and Courtland, or just below Courtland street, and also was connected, or was often seen at Liberty street, and I have spoken to the police about him several times, and they said he was a very desperate character. My first introduction to the man was—I noticed was—I used to notice him on the ferry, coming over on the boats, soliciting passengers to come into his place, and as my business called me right by his store in the morning, I used to have a chance to watch his operations. I noticed one morning, as I came by, a couple of travelers going in there. They were standing on the walk rather hesitating about going in, and I cautioned them about going in, and they left, and he followed me down along the wharf, and proposed to give me a thrashing about it. And I afterward spoke to the police about it, and they said, "He is well known; he is an old hand at the bellows;" that is the remark he made. The inspectors said, when I spoke to them, that he had a perfect right to be there, for he had a pass. I noticed he was examining the baggage without any hinderance at all, and this friend of mine—he had a brother and a sister coming down—and was examining the baggage to find their baggage, and when he attempted to examine the baggage he received a severe reprimand from the inspector for examining the baggage; and he knowing the emigrant man, spoke to the inspector and said, "I don't see why I should not be able to look after my baggage, when here is a noted thief who is allowed to look at the baggage of all." He said, "He has a right in there," and that was all. I noticed when the pas-

sengers came above—we were watching them as they brought their papers to claim their baggage—to see the name on; and this man would find out in that way who such and such a baggage belonged to, and he would immediately commence his business. I noticed him talking to most every passenger that came off the vessel. I think that is the extent of my observations there. I simply happened there casually.

Q. On that occasion you observed, in addition to the presence of this very improper person at that place—you observed these two irregularities—the passage of this box of seal rings and other jewelry by one officer, and the acceptance, or the agreement to procure \$5, which was subsequently paid as a gratuity, by another?—A. Yes, sir.

Q. Are those the two cases there that you remember?—A. Yes.

Q. At that steamer?—A. Those are the two that I remember. I would further state that, after calling the attention of this inspector to the character of this man, I noticed that he was on familiar terms, and appeared to be well acquainted, with every inspector there; and, while waiting for the passengers, I noticed him talking to all of them, and they all seemed to know him.

Q. What is the name of this emigrant?—A. I don't know his name. I never heard his name.

Q. Do you know where his place of business is now, to which he was endeavoring to attract these passengers?—A. No, sir. I noticed him casually around the place in Liberty street, where, some three months ago, a peddling woman—peddling lemons, I believe, and supplying bars with lemons, &c.—was called in there, and a rape committed upon her. I noticed him around that place.

Q. It is a place well known to the police?—A. Yes.

Q. And that is a place that he has for his resort?—A. It is a place that I saw him often; almost every day.

Q. Have you knowledge of other cases in which these irregularities have occurred?—A. I have no definite knowledge, only from hearsay—what I have talked with parties about it.

Q. What have you discovered to be the general fact and practice and habit upon cases of this character?—A. I don't know, Senator, as I really get at the idea.

Q. Have you had occasion to consult on this subject, and have you made any examination into the condition of facts at this port?—A. I have. It is a subject which interested me, and I have talked about it.

Q. Give us the result of what your investigation has been on this subject; what do you believe to be the case?—A. I believe, as a general thing, that importers are very much dissatisfied with the present management—with those I have talked with. I have felt interested in this investigation, and have talked with a great many about it. I find, in my conversation with importers, they all have grievances to complain of, and when I urged them to come before this committee and state their cases, they have refused, on the ground that they didn't wish to be made a target of, or singled out from other houses and made a target of by custom-house officers.

Q. Have you discovered that merchants felt any unwillingness to come before this committee because of this fear that there would be embarrassment and inconvenience?—A. Yes; I have. I think there is a disposition on the part of smaller houses—houses of moderate means—not to state their grievances before this committee, from the simple fact that it would injure their business.

Q. State now what you mean by “injuring their business.”—A. I will state about the only case that I think of now to the point. I spoke, in a conversation in regard to this investigation, with a man who had considerable to do with the custom-house affairs of one of the largest importing houses in the city, and he said to me that frequently, when they had goods coming on one vessel, and the invoice would come on a later vessel, and be delayed or something, so that they could not get their invoice, and wanted to keep their goods from going to the general-order store, they had frequently to pay inspectors, and in that way kept their goods out of general order, and got them a great deal earlier, which was a great benefit to them. I told them that was very wrong, to pay an inspector in that way; and, said he, “How can we help ourselves? Our goods go into the general order, and it might be a month before we can get them, when we want them; one might better pay the inspector \$100 than to let them go to general order.” I told him it was his duty to come before the committee and state the case. He says, “If I should do that, our house would be simply made a target through the custom-house authorities, and other houses would get the privilege, and we would not, and our business would be injured, and perhaps ruined, by it.”

Q. Have you reason to believe that those apprehensions are shared by many other men?—A. This same gentleman said that that was the feeling with most of the houses. He said he thought if there could be a concerted movement by all the houses in one particular line to come before the committee, so as not to make any house a specialty for the intrigues of the custom officials, that there would be a willingness on the part of all of them to testify to those facts; but no one house, unless it was a house that was able to butt against them—that was the expression he used—would be willing to single themselves out and make a mark of themselves.

Q. Have you stated the facts on your own knowledge, as far as you can, on this subject? Have you any other facts that you would state to the committee?—A. No, sir; I have no other facts.

By Mr. HOWE :

Q. Where do you reside?—A. I reside in Jersey City, 317 Pavonia avenue.

Q. What is your business?—A. Manufacturer—manufacturer of steam-jackets for boilers and steam-pipes.

Q. Where is your place of business?—A. Jersey City.

Q. How long have you been in that business?—A. About five years, I should judge.

Q. How long have you resided in New Jersey?—A. I have lived there about five years; I think five years, the coming spring.

Q. Where did you come from when you came to New Jersey?—A. I came from New York City; I lived in New York City prior to moving to New Jersey.

Q. How long?—A. Two years.

Q. What was your business in New York City?—A. I was in the produce business—commission business.

Q. Where did you do business in New York?—A. No. 197 Duane street.

Q. You visited the dock; I think you stated it was on thanksgiving day?—A. Last thanksgiving.

Q. It was the City of London that arrived?—A. I think it was the City of London; I am not certain; my impressions are now that it was the City of London that arrived.

Q. At what dock?—A. At the Inman line.

Q. You went there in company with a friend?—A. Yes.

Q. By what name?—A. I went there with a friend by the name of Love.

Q. What is his first name?—A. Albert Love was his name.

Q. Where does he reside?—A. He resides at 315 Pavonia avenue; he is my next-door neighbor.

Q. You went to meet some friend?—A. Yes.

Q. And they arrived?—A. Yes, sir.

Q. And the first baggage that you saw opened, I understand, was the trunk of this unnamed traveler in a sort of hunting-dress?—A. O, no; I had seen several packages or trunks opened previous to that.

Q. The first, then, to which your attention was particularly called?—A. Yes, sir.

Q. From which the jewelry was taken?—A. Yes.

Q. You don't know his name?—A. No, sir.

Q. What nationality was he?—A. I should think, by his dialect, that he was an Englishman.

Q. You say you had some conversation with him after he had passed his baggage?—A. Yes; I understood from him that he was going West. I tried to ascertain how he got this passed; that was the object of my getting into conversation with him.

Q. Did you ascertain?—A. No, sir; he seemed to be very non-committal about it, and I could not find out anything about it.

Q. He didn't give you any satisfaction?—A. No, sir.

Q. Did you know the inspectors?—A. No, sir, I knew none of the inspectors.

Q. You say there were several of them?—A. I think there were five or six inspectors on the dock; possibly some of them might not have been inspectors; they were custom-house officers, however; I saw their badges; that was the way I had to determine. I didn't know whether they were inspectors or some other officers.

Q. Was there anything else in this trunk that you thought was dutiable?—A. I noticed in a great many of the trunks that were opened—I don't know in this trunk, in particular, that I noticed anything dutiable, but my attention was called most to this case that was taken out and examined. I examined it with the inspector, and looked it over; it was a very fine case, and very fine jewelry in it, and I was looking at it with him; I didn't see the balance of the contents of the trunk.

Q. Did the inspector make any remark upon the question whether it was dutiable or not?—A. No, sir; not in my hearing. I noticed that he had a conversation, however, with this party afterwards. He had three trunks, I believe, and before the others were opened, I noticed that he had a private conversation with him; I didn't hear what was said, but the other trunks were opened, and afterward passed. I think this jewelry was in the trunk that was opened. He had three trunks with him.

Q. Do you know whether it was in the first trunk that was opened or not?—A. I think it was in the first trunk; I am pretty sure it was in the first trunk that the jewelry was found.

Q. You saw nothing else in that trunk that you thought was dutiable?—A. I don't think I saw any of the contents of that trunk beside that package or case of jewelry that was taken out and examined. I first saw it after it was taken out of the trunk. I saw it when it was put back in the trunk, but I didn't see any of the contents of the trunk.

Q. How near the trunk did you stand when you were examining this case of jewelry?—A. Well, I should say I stood within ten feet of it, possibly closer.

Q. How far did you stand from the inspector?—A. Closer to him than I am to you; as close as I am to this gentleman, [the official reporter;] we had a case between us; that is, he had the case in his hands; three of us stood right close together, the case between us.

Q. What took the jewelry from the trunk?—A. The first that I saw of it the inspector had it in his hand.

Q. You didn't see the trunk opened?—A. I didn't see the trunk when it was opened.

Q. You didn't see the jewelry taken from the trunk?—A. No, sir; he stood beside the trunk with the jewelry in his hand. I am not positive that I saw the package taken out of the trunk. I saw it put back into the trunk, however. I would not be positive that I saw him take it out of the trunk. We all stood right close by the trunk. I presume ten feet; it may have stood closer to the trunk. It was right by us.

Q. Ten feet is some ways from a trunk that is undergoing examination; how far are you from the other end of the table?—A. I am about ten feet from the other end of it.

Q. And you were about that distance from the trunk?—A. He took the package up and stepped out a little ways. I don't know. It may have been six feet; it may have been ten. I don't think we were over ten feet, and possibly within six feet of it.

Q. Leaving the trunk opened or closed?—A. I think the trunk was open.

Q. For what purpose did he move off that distance from the trunk?—A. I could not fathom his intentions. I think it was to have a chance to talk with the owner and get some money out of him. That was my impression at the time, and that was the reason I interested myself in it. His actions led me to believe that was his intention.

Q. And that is the reason he moved into your immediate neighborhood?—A. No, sir; I stepped up to him. I know nothing about his intentions. You ask me about my theory.

Q. Precisely; he did not move quite out of your neighborhood?—A. No, sir; he stepped off a little way from the trunk, and I saw him open the box, and I stepped up to him.

Q. You examined the jewelry with the inspector?—A. Yes.

Q. When you stepped up, he didn't recede?—A. No, sir.

Q. But when he had examined the jewelry he replaced it in the case?—A. Yes, sir.

Q. And then what did he do with the case?—A. Closed it and handed it to the owner, and he put it in the trunk.

Q. The owner did?—A. Yes, sir.

Q. Did the inspector return to the trunk?—A. He then went on and, I think, examined the two other trunks, or opened them and reached his hand down into them. He didn't take anything out of the trunks. He just reached his hand down into the trunk and took a piece of chalk and marked them, and he took them off from the dock.

Q. You did not go with him to the other trunks?—A. They were sitting right close by, perhaps as close as from here to that table. I noticed him when he examined them.

Q. You were standing some ten feet off, I understand, when the jewelry was examined?—A. Yes.

Q. That was put in the trunk after examination?—A. Yes.

Q. And he opened two other trunks?—A. Yes.

Q. Did you move up to those trunks?—A. Yes, sir; and stood right close to them.

Q. Then you saw them opened?—A. Yes, sir.

Q. You didn't see what was in them?—A. No, sir; I had no chance. There was nothing taken out of them. I saw what was on top. I didn't see the bottom. He simply reached his hand down to the end of them.

Q. You did look into both trunks?—A. Yes.

Q. What was in the trunk?—A. It was some clothing of some description.

Q. Men's wear or women's?—A. Men's wear.

Q. Then the trunks were closed?—A. Yes; and taken off the dock.

Q. Did you see the declaration that that traveler made as to the contents of his package?—A. I didn't see the contents; I saw the paper.

Q. You don't know what was put on it?—A. No, sir.

Q. But you know there were no duties paid on anything in those trunks?—A. I didn't see any duties paid. He might have gone down to the custom-house and paid duties for all I know; but I saw the trunks closed and saw him take them off the dock.

Q. The other case that you saw opened and the set of silver taken from it; by whom did you say that was owned?—A. It was owned—I would rather not answer that question, Senator.

Q. Why?—A. I would rather not answer it for the reason it was told to me in confidence, and there was \$5 paid to the inspector.

Q. I understand so.—A. My testimony before this committee is voluntary, and before I made it I asked your committee if it would be insisted upon that I give the names of these parties, and I was informed that it would not.

Q. Which was the member of the committee that made that arrangement with you?—A. Do you wish me to answer that question?

Q. Yes.—A. It is a Mr. Porter.

Q. Where does he reside?—A. He resides in Jersey City.

Q. Give me his first name.—A. I don't know his first name; he is employed—I don't know exactly where his house is—he is employed in Barclay street, I think, or Vesey; I think he is employed in Vesey street; I think he is in a tea-house; I don't know the number exactly.

Q. Mr. Porter was the gentleman who owned the silver-ware?—A. Yes.

Q. Do I understand you to say that you got these facts from him, or that you saw his trunk opened?—A. I saw his trunk opened. He was the gentleman I went to meet, that was expected from the vessel.

Q. He was the friend that your friend was looking after?—A. Yes, sir; I will state that I don't think he had an article. I saw all of his goods, and I don't think he had an article that was liable to duty.

By Mr. CASSERLY:

Q. Are you speaking now of the gentleman who had the silver-ware?—A. Yes.

By Mr. HOWE:

Q. What do you say took place between him and the inspector?—A. He didn't negotiate with the inspector; it was done through this Mr. Love that I went with—a brother-in-law of his; he made the negotiations with the inspector in my presence. Mr. Porter had nothing to do with it. Mr. Love made the arrangements.

Q. What was Mr. Love's arrangement with the inspector?—A. It was understood between Mr. Love and the inspector that if that service was passed he would "see him" the next day. That was the expression Mr. Love used, I believe, and Mr. Love told me that he paid him \$5 the next day, when he went over for the balance of the goods. He said the cases were not opened and were not examined at all; three large cases; one of them, I should think about seven feet long, and three by three, were the dimensions.

Q. You heard the arrangement between Mr. Love and the inspector yourself?—A. Yes.

Q. You know that fact?—A. Yes.

Q. You only know the money was paid from Mr. Love's having told you so?—A. Yes, sir.

Q. I understand you to say that as Mr. Love told you the expression was "that he would see him the next day."—A. Yes; I don't recollect the exact language of the inspector, but he gave Mr. Love to understand, in a conversation with him, that he should expect to be paid for his services, and told him to come to him, and to go to no one else; and if he would come right to him he would see to passing the other. "I will get them out without any trouble, and of course"—I don't know as he used the term pay or remuneration, or something of that kind. Anyway he expected he would make it all right to him.

Q. What did you see which gave you the right to infer that he wanted money, or expected money, or was to have money?—A. I told you that I couldn't give his exact language. If he had said he expected to be seen, it would have been evidence to me that he had expected to be paid.

Q. Did he say that?—A. He said something to that effect. I don't recollect his exact words.

Q. All, then, we are to understand from your testimony is, that you heard something said which led you to believe that it was to the effect that if that service passed the custom-house, something would happen to the inspector the next day?—A. Something would be paid to the inspector the next day.

Q. You inferred that something would be paid to him?—A. Yes, sir.

Q. But you won't say what was said from which you drew that inference?—A. There was no definite amount named. I could not state the exact language.

Q. Now do you state exactly and explicitly that Mr. Love told you the next day that he paid him \$5?—A. Yes.

Q. You do state that you don't believe there was an article in that package that was dutiable?—A. Yes.

Q. What was the consideration, then, as you understand it, upon which Mr. Love paid the \$5 to the inspector?—A. To save trouble, I believe. I advised him not to pay it. He told me that he intended to pay it to save trouble. I advised him not to do it. I told him I didn't think the service was liable to a duty, and that he was doing very wrong to pay him anything. He said he thought he would pay him, and he told me when he came back that he had paid him \$5.

Q. That was the next day?—A. Yes.

Q. Did you know that he was going to pay when you gave that advice?—A. Yes; I knew. He told me he intended to pay him. He said he thought it would save trouble,

and he could get it out very quickly; and he said if he didn't pay him he would probably tear the case open, and bother him a great deal, and he thought he would pay him \$5. He didn't say how much he was going to pay him, but he would pay him something.

Q. The case was still in possession of the officer?—A. Yes.

Q. All of them?—A. Yes.

Q. Hadn't he removed either of the cases?—A. The cases were on the vessel at the time; they were removed the next day; they were in the possession of the custom-house. I don't know that they were in the possession of that particular officer.

Q. Where was this one case in which the silver was?—A. That was in one of the other trunks, and packed in the baggage; they had two trunks with them, and this was packed in the baggage.

Q. That was in one of the other trunks?—A. Yes.

Q. Where was the trunk when you saw it opened?—A. It was on the dock with the rest of the baggage that came off the vessel.

Q. After it was opened, and the ware was examined, what was done with the trunk—carried back on the vessel?—A. It was closed up and sent off the dock.

Q. Where did it go to?—A. It went to Mr. Love's residence.

Q. I understood you to say that the baggage was all on the vessel the next day.—A. No. I said there were three cases that were left on the vessel that were very large and bulky, that contained some household goods, that were not removed that day. You recollect I said that this inspector—he asked them if they had any more baggage, and they told him they had three cases; and he said, "If I pass this you come to me to-morrow and I'll get the other out for you all straight, and of course," said he, "if I pass this"—I don't know exactly the words he used, but I inferred that he expected to be paid, and that he would pass the other cases that were on board the vessel, and there would be no trouble about it, if they would only come to him.

Q. What were the contents of those three cases?—A. Mostly bedding.

Q. Was that dutiable, or not?—A. I should judge that it was not dutiable. I am not very well posted on that, however.

Q. His importation consisted of three cases and two trunks?—A. Yes.

Q. The two trunks were taken off the day before?—A. They were taken off the day they landed, and the cases were taken off the next day.

Q. You don't know whether the contents of the cases were dutiable or not?—A. I could tell you the contents of the cases. I saw them opened; but my impressions are they were not dutiable.

Q. You don't know whether they paid duty or not?—A. I know they didn't pay duty.

Q. Therefore you concluded that the consideration upon which the \$5 was to be paid, was to avoid trouble with the inspector?—A. Yes, sir.

Q. And the trouble that he was liable to with the inspector was not about the silver-ware at all, was it?—A. I suppose he might have sent that to the custom-house.

Q. After Mr. Love had got it in his own house?—A. When he had it in his possession, if he had honestly, and according to what he said there, he would have sent it to the custom-house.

Q. Who said so?—A. The inspector said it was dutiable.

Q. You say it was not?—A. My impression is that it was not.

Q. You believe it was not?—A. I believe it was not dutiable.

Q. Was this the same inspector who examined the jewelry?—A. No, sir; I believe it was—I am pretty positive it was not. In fact, I know it was not the same man; it was another inspector who examined the jewelry.

Q. Who was this distinguished swindler that you saw on the dock at that time?—A. I don't know his name.

By Mr. STEWART:

Q. How did you manage to tell the police about him?—A. I didn't know but he might thrash me. I can take—I know his residence, I think, pretty nearly. He lives in Jersey City. I see him every day, and have seen him every day, or nearly every day, for the last two years. I don't know his name, however. I have no desire to form his acquaintance. I never interested myself in regard to his name.

By Mr. HOWE:

Q. Where is his place of business?—A. I don't think he has any regular place of business anywhere. I think, where he can swindle any one. He had a place of business, or at least he was there mostly, at one of these gift-jewelry places on West street, just below Courtlandt, three or four doors below Courtlandt.

Q. Was that where you saw the unwary traveler entering?—A. Yes, sir.

Q. Can you give us any description by which we can find that man?—A. I think that I could find him for you. I think I can give the committee his exact number. I think I could get his name. I don't know it now.

Q. You have known him for two years, and seen him almost daily, and know what a rascal he is, and come pretty near being thrashed by him, and stood guard over his place, and don't know his name.

Mr. CASSERLY. Does the witness say he stood guard over his place of business?

Mr. HOWE. No; he don't say that, but warned people from him.

WITNESS. I think I can furnish you the name and residence to-morrow, if you would like it. He is the son-in-law of a democratic alderman in Jersey City, or formerly an alderman by the name of ———; he is not a Tammany republican; he is a democrat. I understood his father votes the democratic ticket in one ward in Jersey City, and I understand, from pretty good authority, that he has lived with another man's wife, and has been for two years. The ex-mayor of Jersey City informed me of that the other day.

Q. You spoke to one of the inspectors about the presence and character of this individual?—A. I spoke to one; my impressions are now that I spoke to two of them about it.

Q. Do you remember whether the inspectors you spoke to about this man were either of them the inspectors who examined these trunks?—A. I would not be positive whether he was an inspector or not. I know he was a custom-house officer, who seemed to have the general management and delivery of the baggage; he had a badge on, and possibly he might have held some other office besides an inspector; but I know he was a custom-house officer. I spoke to the one that appeared to have the general management of the delivery of the baggage.

Q. Now, you have expressed an opinion that merchants are afraid to testify here, or are unwilling to testify before the committee. That is your conviction, is it?—A. Yes.

Q. That conviction rests, as I understand you, upon the declaration of a single merchant, or more than one?—A. No; it does not rest upon the declaration of a single man. I have talked with a great many about it.

Q. You mentioned one man that you had talked to?—A. Yes.

Q. Will you repeat what he said to you?—A. He told me that frequently houses which he done business for were receiving goods from one vessel, and frequently their invoices would come on a later vessel. He said that it was very desirable for them to get their goods off and prevent them from going into general order, and in order to do that they had to pay the inspectors. I asked him why he didn't come before the committee, and he said he didn't like to make a target of the house—injure their business. He thought if merchants would combine to come together and make these complaints—that all of them had complaints of that kind to make; but no one of them felt disposed to injure the business by singling themselves out to do the work.

Q. Who was this merchant?

Mr. BAYARD. Let me say a word here. This witness came in here and told me of some facts. I asked him to put down his statements in writing, and the points, and he did so, and furnished me these papers; I believe, made here in the hotel.

WITNESS. Yes.

Mr. BAYARD. I asked you to reduce them to writing, so that you could know what you had to say. When I asked you who this gentleman was, whose business had been so interfered with, you declined to state, and asked me whether you would be compelled to state it. I believe I told you then that I could not answer, but that the committee respected, on one or two occasions, the requests of gentlemen not to give names.

WITNESS. I will state for the benefit of the committee that it would be no earthly object to receive the name of this party, as he is in the West traveling, and it would be almost impossible to reach him with a subpoena to corroborate my testimony. Still, if the Senator insists upon it, I'll give the name. I will state that I didn't think I would be singled out. I would much rather not do it, however.

By Mr. PRATT:

Q. Did he give you the name of the inspector?—A. No, sir; he gave me no name of the inspector.

Q. If he was subpoenaed would he know the name of the inspector, if he was here as a witness?—A. That I could not tell. I very much doubt if he could.

By Mr. HOWE:

Q. When did you communicate these facts to Senator Bayard?—A. Yesterday.

By Mr. BAYARD:

Q. Where?—A. Here.

Q. While I was in the committee room?—A. Yes.

By Mr. HOWE:

Q. I understand you plead a sort of promise from some one, in bar of telling who was the owner of this silver-ware. When I asked you who that man was, I understood you objected to tell upon the ground that some member of the committee had promised you that you need not.—A. Senator Bayard has stated exactly the conversation I had

with him yesterday in the room. I took it for granted that I would not be made an exception. I had heard the testimony before the committee myself, and further inquired of Mr. Bayard about it, and he told me as he stated just now. If the Senator wishes to make an exception of me I will answer the question.

Mr. BAYARD. I believe I gave to Mr. Snyder what the notes of the testimony will sustain as a fact; that when Mr. Hutton was asked to disclose the name of the gentleman who had told him of some of these abuses that he was cognizant of, and he was pressed for his name, and he said, really, he would much prefer not to give, he was not called upon to give it. The testimony of Mr. Hutton yesterday will disclose that fact, where he was asked for the name, and stated that it would be very unpleasant for him to give the name, and he was not present, and did not give the name. It was that that I stated to this witness. I did n't pretend to tell him what other members of the committee would do in respect of demanding from him his confidence; I couldn't answer for some; only for myself.

WITNESS. Not at all. I drew my inference from that.

Mr. HOWE. The question has come up once or twice when I have been with the committee, and my recollection is that whenever it has come up we have insisted upon having the name. It seems to me it must be manifest to everybody that the information is idle unless we can have names.

Mr. BAYARD. It seems to me that when merchants or men of character shall come together and state the practice of the payment of sums of money to customs officials, and state that fact, that no good on earth before this committee can come of calling for the unhappy man who has received the money to testify here. When he is called, he is put upon the stand, and he knows, if he says he has got the money, he is swearing away the support of his family, and that terrible distress is put upon him.

Mr. PRATT. You believe that he ought to be deprived of his custom-house butter, don't you?

Mr. BAYARD. I am not prepared to say that. This is a system that has grown for ten years; aye, and twenty years and more. I don't hold the present custom-house men responsible in that way; but they have grown up for a long time. It is wrong, but you can ascertain the existence of it without making the individuals suffer for it. I don't want to turn a poor man away and take his bread from him.

The CHAIRMAN. Suppose I have had twenty men in my employ, and a gentleman came to me and told me that one of them was not a good man, and ought not to be retained in my service, how could I discharge him unless I knew the man?

Mr. BAYARD. This investigation is not leveled against individuals; it is leveled against a system under which these things are possible.

The CHAIRMAN. In that case I suppose I must discharge all my men to get rid of the wrong man, unless I knew the wrong man.

Mr. HOWE. Didn't I understand you to say some time ago you did not want to take the bread out of a poor devil's mouth?

Mr. BAYARD. I said I didn't choose to be made the instrument of trying the question for individual offenses. If merchants tell me that, as a system, they are compelled to pay moneys beyond the regular fees, I want to know it from them. The trying of individual cases is for the collector to do; in regard to individual cases, that is his duty. If he has suffered these things to exist and go on, it shows there is needed a remedy. I do not say, and I don't think I said anything to justify the idea, that I would not discharge a man from office who has done a wrong. On the contrary, I wish to know whether the evils have existed that tend to make men dishonest; and if there are evils I want to have them removed; not against individuals, to try them. We have not got time or machinery to try individuals justly.

The CHAIRMAN. I was going to inquire, would Mr. Bayard say the whole system was wrong because one or two or more individuals were found practicing frauds?

Mr. BAYARD. No, and for that reason I say I want merchants to come here and say that such are the customs of this port; that men are paid by the merchants and others for facilities, and that that is a habit. I think the collector should take hold of individual cases, and examine them. Perhaps this discussion may not be entirely fruitless, if it leads us to a possibility of concurrence hereafter. Mr. Williams, of the firm of Williams & Guion, has come forward, and has testified to you that it is a regular system, and that the charges are made and entered on the books of the sums paid to the customs officials for certain extra duties, by way of gratuity to them. Where he testifies that I don't believe it to be so.

The CHAIRMAN. I do.

Mr. BAYARD. Very well, why not report that to be a fact. I only mention him as one of a class of gentlemen who have, and testify as to these things.

The CHAIRMAN. Mr. Williams stated in his testimony that he didn't regard that as bribery in any way or shape whatever; he didn't regard it as a violation of any law or obligation. If it is not, where is the wrong.

Mr. BAYARD. That is Mr. Williams's opinion.

Mr. STEWART. That was a particular kind of service, about permits over night.

Mr. BAYARD. If we agree and assent to the truth of what is testified to by gentlemen of such character as the one I have mentioned—if we believe what they say is true, what is the use of calling the other side of the question, and expecting, in a very improbable way, that the man who has accepted these moneys shall come forward and testify to the same thing. If we had proved it to be true, why go further and accumulate proof upon proof.

Mr. CASSERLY. Who expects a man who has taken a bribe to admit it.

Mr. STEWART. If it is proof that a thing is true, because there are rumors and headings to that effect, it is proved that there has been no administration since the foundation of this Government that it has not been rumored about. There is in every just legislative body a lot of men who pretend to own the legislature. There is around this custom-house a lot of brokers who pretend to own the custom-house, and probably get some money. I have heard some stories from men we see around here every day, about their getting money for going to Washington. The supposition is everybody is corrupt.

Mr. CASSERLY. It is impossible that anybody gets money to go to Washington.

Mr. STEWART. Take any court, for instance. If we can prove that a court is corrupt because somebody has said so, without tracing it up, it can be proved against almost everybody or anything in a very general way, but it don't have much weight with the community, as long as it remains in a general way. Now, if we can get one particular instance it is worth more than any quantity of rumors. One particular instance of corruption is worth a thousand rumors.

The CHAIRMAN. So far as I am concerned, it would give me very great pleasure to find out every and any wrong practice, and every corrupt practice within the custom-house, in the performance of the duties of the custom-house. I should be very glad to have them exposed and a remedy applied to every individual. If it is found that the system is so corrupt that it cannot be made perfect except by some change in the system, why, if anybody will show me what change can be made on the system to remedy it, I will go further. But I cannot think that because we have found a wrong in a particular instance, or because a good man, upon whose judgment reliance can be placed, says, "Here is a wrong"—I don't think in consequence of that we should condemn the whole system. We should remedy that particular evil, if it is possible, and we would have to remove many, even if not a thousand men, embracing the entire employes of the custom-house, before we can expect that the nine hundred and ninety-nine and the other would be honest.

Mr. HOWE. The question is whether the witness on the stand shall or shall not be required to tell the name of that vagrant merchant who informed him that it was his practice to hire inspectors of customs to delay the sending of their goods off under general order while his invoice is coming. To his answering that question it is very gravely urged that we are not trying specific pieces of rascality, but we are trying the merits of a system. I said the other day, and I would like to repeat very briefly now, that I did not very well understand how you are going to find the evidence upon which to condemn a system unless you find some special faults in it. I agree with the chairman that one special defect would not be sufficient to condemn the system, but if you can get enough sore spots in it, it may warrant you in condemning the whole system. I agree with the chairman in another particular, that it may not inevitably follow that the law regulating the customs service is wrong simply because rascals get into the administration; that, on the other hand, it may not be certain that there are not some defects in the law, although they may be all honest men who are administering it. The creation of the law is one thing and its administration is another. We have now to test its administration. Mr. Bayard has said, a little while ago, that it is abundantly proved already that it is the habit on the part of the inspectors to take money, and "it was proved by Dr. Williams. If it is proved, let it stand upon the proof you have, and not seek to introduce accumulative proof." I suppose that some members of the committee still doubt that particular point, and this was the reason why this additional proof was offered. Here is another witness who has come forward and given very important testimony; he adds to that testimony, upon his own knowledge, the information received from a merchant, which is that he has been paying money to the inspectors, and I asked for the name of that merchant, and I called the attention of the committee to the period of time which I asked it. The other day we had on the stand a Mr. Tillotson, the merchant here who testifies about his experience, and who informed us that he had heard of other merchants. We asked him who, but he didn't like to say. He did tell, however, of Mr. Bloomfield, and then Mr. Bloomfield came, but he had heard others say so and so; he thought Mr. Bissell could tell something. Mr. Bissell testified that he had made arrangements with the inspector to pay him money to detain goods, but he didn't pay the money himself; the money had been paid at the house. We send for the inspector, and it turns out not to be our officer in the custom-house at all. Now it is in the very face of experience of that kind that gentlemen seem to insist that we shall take the declaration of a witness on the stand that a merchant who is wandering somewhere, or who has no name *here*,

told him that he paid inspectors. We must take that as proving the fact, without even knowing the name of the man. Now it does seem to me that that is playing more carelessly with the rules of evidence than we have a right to do. I do not want to involve this witness in any difficulty with his friends, and I don't see how it would involve him. He has come upon the stand and sworn to tell the truth, and the whole truth, and I trust his friends will excuse him if he don't stop short of telling the whole truth.

The WITNESS. I will state, if the Senator insists upon it, without bothering the committee at all. I think, Mr. Senator, though, you are laboring under a mistake in regard my saying this was a merchant. I didn't so state, I believe.

By Mr. CASSERLY :

Q. Did you state it was a vagrant merchant?

Mr. HOWE. No; that was an expression of mine.

A. No, sir; I don't believe I used that term. He is a very intimate friend of mine. I said he was traveling out West, and I thought it would be impossible to meet him with a subpoena. He is a very intimate friend of mine, but still I have no idea where a letter would meet him. He is between here and Omaha. I got my information from him that he was engaged in business, and engaged with large houses, and had charge of the custom-house duties, and I stated that he said he had known instances frequently of inspectors coming in and picking out a valuable piece of goods and expressing a desire to have it, and he said it was invariably given to them without questions being asked; and he spoke about a piece of statuary worth about \$100, and it was given. His name is A. A. Love, the same gentleman with whom I went on the vessel to meet his friend.

Q. You say he is traveling?—A. He is gone West on some business; I think he told me he was going as far as Omaha.

Q. When did he leave home, sir?—A. He left home about a week ago, I believe; I am not exactly positive as to that.

Q. What is his business when he is at home?—A. Well, he is engaged as a traveling salesman for some house in Barclay street; I don't know the place exactly; I think it is in Barclay street.

Q. Has he a family?—A. He has a wife; she is now in Europe, I believe; she has been in Europe for some time; I think some six or eight months.

Q. Is he keeping house now while his wife is gone?—A. No, sir.

Q. Do you know with whom he boards or at what place he boards?—A. When he is home he—well, he is not boarding, neither is he keeping house now—he is traveling; but when he is at home he lives at 315 Pavonia avenue, next door to my house.

Q. Does he live alone or with some family?—A. Well, he lives alone; he has not been home but very little.

Q. There is no other family occupying that?—A. Yes; now his brother and sister occupy the house during his absence.

Q. Do you know how long he is to be absent?—A. I believe he said he should be absent until March—thought he should be back somewhere about the middle of March; he told me he would write me. I am expecting a letter from him every day. I will send it over to the committee if it is possible to ascertain his address.

Q. His business is that of a traveling salesman, you say?—A. Yes, sir.

Q. For a house where?—A. I think it is on Barclay street; I don't know the place.

Q. Nor don't know the firm?—A. No.

Q. Now, can you tell me any other man who has given you information as to these practices of the inspectors and on whose information that conviction of yours rests?—A. I could not particularize any one; it is only general conversation that I have had with business men generally.

Q. You can name no other individual, I understand you to say?—A. I could not at present.

Q. Will you tell me when Mr. Love gave you this information of which you have just testified?—A. I should say three weeks ago, perhaps.

Q. Before or after this committee opened its sessions?—A. After.

By Mr. PRATT :

Q. It was, as I understand you, on last Thanksgiving that you and your brother-in-law, A. A. Love, went to the pier of the Inman line for the purpose of meeting Mr. Porter?—A. Not my brother-in-law; he is simply a friend, no relation; it was last Thanksgiving.

Q. Was Mr. Porter a relative of yours?—A. No, sir; never saw him before.

Q. Was Mr. Porter a relative of Mr. Love's?—A. Yes, sir; a brother-in-law.

Q. And it was while you were there upon that day that you observed these things to which you have testified?—A. Yes, sir.

Q. You were not there before or after?—A. No, sir.

Q. And you were there about how long upon that day?—A. I was there about three hours, sir; I was there about an hour after the vessel came in to the dock.

Q. But you were inside—A. Of the custom-house lines about an hour.

Q. During which time you heard and saw the things that you have detailed?—A. Yes, sir.

Q. Now, you have not answered, I believe, what was the value of this jewelry which was passed by the inspector.—A. I could not tell the value exactly, although I am quite familiar with that class of goods; if my opinion be worth anything I can give it.

Q. Well, that is the next best thing?—A. I should judge it to be worth a thousand dollars; I made the remark at the time.

Q. It consisted, you say, of watches, rings, and what else?—A. No, sir; rings and watch guards or chains, principally; there were no watches in the case at all; it was mostly small jewelry.

Q. Did this gentleman make a declaration of the contents of his trunks?—A. He had a declaration; I did not see the contents.

Q. You did not read the contents?—A. No, sir.

Q. Did he state what fee he paid the inspector for passing his baggage?—A. I don't think that he paid any; I did not see him pay any; I only know the fact of its being passed; don't know whether he paid anything or not.

Q. You saw them conferring together privately?—A. Yes, sir.

Q. I would like to know about how many persons there were on the dock inside of the custom-house lines while these things were transpiring, including officers—those who were admitted on tickets, and passengers?—A. I should think there were, perhaps, nearly a hundred people—between seventy-five and a hundred.

Q. And you think there were five or six inspectors?—A. Yes, sir.

Q. You don't know the names of any of them?—A. No, sir.

Q. Would you know the two you have especially mentioned as having received gratuities if you were to see them again?—A. Yes, sir; I would know one of them; I would know two of the inspectors if I should see them; I would know one that I have reason to believe received the \$5 and I would also know another one; I would know two of them if I should see them again; in fact, I have seen them since; I have met them on the street—one of them.

Q. Was Mr. Porter a foreigner emigrating to this country?—A. Yes, sir.

Q. From what country was he emigrating?—A. Ireland.

Q. The household furniture he was bringing to this country, had it ever been in use?—A. Yes, sir; all of it, I think.

Q. This silver service, however, I understand you, had never been in use—had been presented to him shortly before starting for this country?—Yes, sir.

Q. And you then supposed that that was not a dutiable article?—A. I supposed it was not.

By Mr. BAYARD:

Q. It had his name engraved on it?—A. Yes, sir.

Q. Having his name engraved upon it, it was not probably brought in for sale?—A. That is the way that I construed it.

By Mr. PRATT:

Q. Do you know anything about the value of the contents of these cases and of his trunks?—A. Well, no; not particularly; I have an idea of what they would be worth—an idea of what I would be willing to give for them or sell them for.

Q. Very well; what were they worth?—A. I should say they were worth from \$250 to \$300.

Q. Including the contents of the trunks?—A. Yes, sir.

Q. That includes the silver service also, does it?—A. Yes, sir; I would include that in the estimate.

Q. Mr. Love, as I understand you, had made this arrangement with the inspector in reference to his brother-in-law, Mr. Porter?—A. Yes, sir.

Q. Mr. Porter knew nothing about it—was not a party to it?—A. No, sir; had no conversation with him at all.

Q. Had Mr. Love ever been connected with the customs service?—A. No, sir; I don't think he had.

Q. Had never been in the custom-house employment at all?—A. No, sir.

Q. Was the Englishman that you spoke of that had this jewelry an emigrant to this country? Did he come here to stay?—A. I could not say as regards that; I do not know what his intentions were; he told me he was going West.

Q. You say he had three trunks?—A. He had three trunks.

Q. Were all three of the trunks opened and examined?—A. They were opened—all three of them.

Q. What was in the other two?—A. I did not see the contents; there was nothing

taken out of them; I had no means of seeing except what lay on the top; looked on the top as if it were clothing.

Q. Did you ever see the Englishman after that?—A. No, sir.

Q. You have no information from him that he paid the inspector?—A. No, sir.

Q. That was simply an inference from the circumstances as you have detailed them to the committee?—A. Yes, sir.

Q. It was Mr. Love, then, who told you that he had had to pay inspectors, or had paid inspectors, to prevent goods going under general order?—A. He said he was cognizant of the fact that they had been paid; he did not say he had paid them personally, himself.

Q. Did he give you the names of the persons that had paid inspectors?—A. No, sir; simply spoke of the trade generally; he said he was knowing to the fact.

Q. Had he ever been connected with an importing-house?—A. I think he had; in fact, he said he had. I think he said he had frequently negotiated with inspectors himself for different houses.

Q. While he was in connection with importing-houses?—A. Yes, sir.

Q. The irregularity that he puts his finger upon was the bribe of inspectors to keep goods that were entitled to go under general order out of the general-order warehouse?—A. Yes, sir.

Q. Did he give you any statement as to the amount of fees paid inspectors for this service—what the tariff was?—A. No sir; no specific amount; he simply made this remark: he said that a man would be very foolish, an importer would be very foolish, who would refuse to give an inspector \$10 or \$15, or even \$50, to keep his goods from going to general order, and allow other people who would pay that amount to get their goods and come on the market first, and thereby cut him out of sales.

Q. Did Mr. Love inform you under what collector this practice had obtained; did he speak of any particular collector's administration?—A. He did not. But I will further state that he has not been in the country but three years and a half; it must have been either under Mr. Grinnell or Mr. Murphy. He has not been here long enough to have anything to do with any other collectors.

Q. What is the character of the importing-houses he has been connected with?—A. I do not know the character; I judge, though, they were of pretty good character; I think he is receiving a pretty good salary.

Q. What class of goods they imported, I mean.—A. He was formerly in the linen trade, but, I think, he is now in the china trade.

Q. Do you know the names of any of the importers that he transacted business for?—A. I don't know of any of their names that he has transacted business for particularly.

Q. He never mentioned to you the names of any of the houses for whom he had performed this service?—A. No, sir; never mentioned any of the names. He simply spoke to me in a general way of it as he was connected with the trade.

By Mr. STEWART:

Q. With regard to that gentleman who brought in the case of jewelry; you say that he was dressed in hunting-clothes?—A. Yes, sir.

Q. An Englishman?—A. Yes, sir. I should say it was rather a hunting-garb; I don't know; it may be the costume of the country.

Q. You don't know where he was going?—A. I think he said he was going out to Nevada.

Q. Was the jewelry that he had entirely new?—A. Yes, sir; it was new.

Q. A case made to put this particular jewelry in?—A. It was a case covered with morocco—a morocco case, very nicely gotten up, and made just like a jeweler's case; just like a peddling-case.

Q. Anything in it besides the jewelry?—A. No, sir.

Q. Did you think, from his appearance, that he was a peddler?—A. I told you I thought from his dress that he might be intended for a hunting-excursion; but I could not tell what his business was.

Q. This was a peddling-case?—A. It was a case similar to those used by peddlers; it was a large case, with slides in it—drawers similar to the case that traveling jewelers usually carry.

Q. There were watch chains and seals?—A. And rings.

Q. Do you know whether he went off with his trunks, or how did he leave; did you stay there until he left?—A. I staid there until he left the dock.

Q. He went away from the dock?—A. Yes, sir.

Q. With his trunks?—A. Yes, sir.

Q. Anybody go with him?—A. He went alone, with the exception of the man that took his trunks.

Q. You saw his trunks loaded on to a hack?—A. I saw them going off the dock. There were men with hand-trucks to take the trunks up to the street, and for a quar-

ter, or whatever you had a mind to give them, they would take them out to the street I saw a porter put them on to a truck and take them out.

Q. Take them out to the street?—A. Yes, sir.

Q. Is there not a place before you go out to the street where the passengers pay duty?—A. There is a custom-house office there. I took particular pains, though, to see that they did not stop there. I was considerably interested in it. I took particular notice about it.

Q. They passed that office?—A. Yes, sir. I noticed them until they got clear in the street; in fact, I followed them up beyond the custom-house lines and saw that they went out into the street.

Q. And no duty was paid on them?—A. I did not see any duty paid on them; I do not think there was any duty paid on them. Immediately after they were closed and marked he took them off the dock.

Q. Do they pay the duty there; do they not pay the duty right there on the wharf for things of that kind?—A. I understand that they do in some instances.

Q. Having the officers make the entry and do the whole transaction—go down with all the officers necessary?—A. I have been informed by a person that they have paid duties on the dock in that way.

Q. Do they not do that to enable passengers to get along with their baggage?—A. I think the custom is to send them to the barge-office—baggage of that kind.

By Mr. PRATT:

Q. I have omitted to ask you one question in regard to this man whom you designate as an emigrant-swindler. What was his business there that day; what did he seem to be doing?—A. He seemed to be interviewing the passengers. I did not get the gist of his conversation with them.

Q. Did you see him accomplish anything?—A. I left him on the dock; I do not know whether he had made a point before I came away or not; I judged that he had not, from the fact that I left him there.

Q. You felt indignant at seeing such a crowd inside the custom-house lines?—A. I did.

Q. And spoke to the inspector and called his attention to the notorious character of the man?—A. Yes, sir.

Q. And he replied that he had a license to be there from the collector?—A. Yes, sir.

Q. What kind of a license; a general license whenever vessels of that kind should land or a license for that particular day?—A. That I did not learn—whether he had a license for each particular time or a general permit.

Q. Did you see many persons inside the custom-house lines, like yourself and Mr. Love, who were there by leave?—A. Yes, sir; I should think there were twenty, perhaps.

Q. From whom had Mr. Love obtained his leave or license?—A. He told me he got it from the collector.

Q. Did you see the license or authority?—A. Yes, sir.

Q. How did it read?—A. I did not read it over, in fact; he showed it to me, but I did not take pains to read it.

Q. To whom was it directed?—A. That I could not tell.

Q. To the superintendent of the dock?—A. That I don't know; I did not read it.

Q. You had no authority at all; he took you under his wing, so to speak?—A. No, sir. I went to go in, and the inspector objected to my going inside of the lines, and I staid outside of the lines, perhaps, twenty minutes, and got talking with one of the inspectors that guarded the lines, and I then took occasion to inquire as to the right of this man I have referred to as being inside of the lines, and he finally said to me, "You can go inside if you want to;" so I passed inside of the lines.

Q. Do you suppose it was in consequence of the fact that you called his attention to this notorious person that he chose to let you in?—A. I judged so at the time. I do not think they wished to be exposed in the matter, and for that reason he let me in.

Q. You can furnish the committee, I understand you, by to-morrow or the day after, with the name of this emigrant-swindler?—A. I am not positive, but I think I can; I think I can find out his residence and all about him.

FIFTH AVENUE HOTEL, NEW YORK, *January 25, 1872.*

MR. BAYARD. Mr. Robert was requested to bring copies of certain papers, and he is now here to present them.

J. EUGÈNE ROBERT, recalled and examined, testified as follows:

By Mr. BAYARD:

Question. [Referring to papers presented by the witness.] Are these documents truly copied from the letters in your possession?—Answer. Yes, sir.

Q. The correspondence on the subject of the loss of these watches?—A. Yes, sir.

Q. And you desire them made part of your testimony in this case?—A. Yes, sir.

[The papers were ordered to be made a part of, and printed with, the testimony of the witness, and read as follows:

“NEW YORK, December 27, 1870.

“SIR: A statement has already been laid before you of a case of watches marked
A C }
A M } 214, imported by me per steamer Santiago de Cuba, and stolen off one of the custom-house trucks in its transfer from the steamer to the public store, on the 29th of November last. Holding the bondsman of the custom-house district carman responsible for the loss, I inquired personally at the proper office in the custom-house for a copy of the bond, which I was told could not be had excepting by special authority from you.

“Will you please favor me with the desired order to obtain the redress sought for by

“Yours, very respectfully,

“J. EUGÈNE ROBERT,
“24 John street, box 5798.

“HON. THOMAS MURPHY,
“Collector of the Port.”

“NEW YORK, January 18, 1871.

“SIR: Being unable to obtain satisfaction from our custom-house, I beg to lay the following brief facts before you, for the proper protection of my business and to elicit the much desired information:

“On the 21st of November last I imported, by way of Antwerp to New York, a case of Swiss watches, invoice value 7,506.75 francs, upon which I paid \$287, in gold, duties. This case was taken from the vessel by one of the duly appointed and authorized custom-house cartmen, to be conveyed to the public store, in the regular routine of custom-house business, but it never reached the public store. It cannot be found, nor can I obtain satisfaction at the custom-house. While in charge of the custom-house cartman, said case is said to have been stolen.

“The facts were immediately laid in writing before the collector, but it produced no reply. In the difficulty of approaching him I sought other sources with no result. By verbal authority of the collector I had access to the bond given for the custom-house district cartmen by a \$50,000 security, but the cartmen are not to be found, nor do letters or messages reach their security, Mr. Henry T. Welles.

“In this dilemma, I naturally ask, if Government takes from my control the carting of valuable goods and undertakes its safe delivery to the appraiser's and to my store, is it not also responsible for the value of such goods should they be lost by any misfortune while under custom-house care? But leaving out the numberless annoyances, from whom shall I seek and obtain redress? Justice and principle alike call for your valuable aid in this matter.

“The large and important branch of the watch-importing business, cognizant of the above facts, are anxious to know how far protection is granted them by our Government, in the pursuit of their avocation, through its custom-house officials.

“Trusting to be favored with an early reply, I beg to remain, very respectfully, yours,

“J. EUGÈNE ROBERT,
“24 John street, or box 5798.

“HON. GEO. S. BOUTWELL,
“Secretary of the Treasury, Washington.”

“NEW YORK, February 3, 1871.

“SIR: Without reply to my letter of January 18, I beg to inclose ‘duplicate’ in case it might have miscarried, respectfully soliciting the attention of your Department to the same.

“Very respectfully, yours,

“J. EUGÈNE ROBERT.

“HON. GEO. S. BOUTWELL,
“Secretary of the Treasury, Washington.”

“TREASURY DEPARTMENT,
“Washington, D. C., February 7, 1871.

“SIR: Your letter of the 3d instant is received, transmitting duplicate of a letter to this Department under date of the 18th ultimo, requesting relief in the matter of a certain case of Swiss watches imported by you on the 21st of November last, and which, it is alleged, was lost or stolen while being carted from the importing vessel to the public store by a custom-house cartman.

“In reply I would state that a letter was written to the collector of customs at New

York, under date of the 19th ultimo, directing an investigation into the matter, and as soon as his reply is received, due action will be taken in the case, and you duly notified.

"I am, very respectfully,

"GEO. S. BOUTWELL,
"Secretary.

"J. EUGÈNE ROBERT, Esq.,
"New York."

"NEW YORK, February 25, 1871.

"SIR: Your letter of 7th instant was duly received, notifying me that an investigation had been ordered concerning my claim for a case of watches, lost from importing vessel to public store while under custom-house charge.

"As I have not been called upon to give particulars to the custom-house, from the date of your letter of 19th January to the collector until now, I infer that my case is lost sight of, and would respectfully ask what action has been taken in this matter.

"I remain, very respectfully, yours,

"J. EUGÈNE ROBERT,
"24 John street.

"Hon. GEO. S. BOUTWELL,
"Secretary of the Treasury, Washington."

"TREASURY DEPARTMENT,
"Washington, D. C., March 1, 1871.

"SIR: Referring to your letters of the 18th of January last and the 25th ultimo, relative to a certain case of Swiss watches imported by you on the 21st of November last, and which, it is alleged, was lost or stolen while being carted from the importing vessel to the public store, I have to say, in further reply thereto, that a report upon this subject has been received from the collector at New York, who says that the case in question was taken from the steamship Santiago de Cuba by custom-house cart No. 1666, for the purpose of taking the same to public store, whither it had been ordered for examination, and that it was stolen from the cart before it reached the store.

"I would say that, while regretting the said loss, under the decision of the courts the Government is not responsible for the same, but that your remedy, if any, lies in a suit against the owner of cart No. 1666 or his bondsmen.

"I am, very respectfully,

"GEO. S. BOUTWELL,
"Secretary.

"J. EUGÈNE ROBERT, Esq.,
"Post-office box 5798, New York City."

"NEW YORK, March 4, 1871.

"SIR: In reply to your letter of 1st instant, may I take the liberty of asking under what provision or by what authority in law I can prosecute, as advised by you, the bond which is made to Thomas Murphy, collector, or the United States Government.

"Your early answer would greatly oblige yours, very respectfully,

"J. EUGÈNE ROBERT,
"Box 5798.

"Hon. GEO. S. BOUTWELL,
"Secretary of the Treasury, Washington."

"TREASURY DEPARTMENT,
"Washington, D. C., March 8, 1871.

"SIR: Your letter of the 4th instant is received, asking for information as to the authority of law, &c., under which you can proceed against the owner of cart No. 1666, to recover damages for the loss of a certain case of Swiss watches, stolen therefrom.

"In reply I have to say that the collector at New York has this day been requested to assist you in this matter as far as may be in his power, and you are respectfully referred to him for further information.

"This Department, as you have been previously informed, is unable to grant you any relief in the premises.

"I am, very respectfully,

"GEO. S. BOUTWELL,
"Secretary.

"J. EUGÈNE ROBERT, Esq.,
"Post-office box 5798, New York."

"NEW YORK, March 9, 1871.

"SIR: This morning I received a letter from the Treasury Department, advising me that your kindly assistance has been requested to aid me in the recovery of the value

of a certain case of watches imported by me per steamer Santiago de Cuba from Rotterdam, and which was stolen in its transit to public store.

"Will you oblige me by informing me by what authority in law is the collector authorized to take the bond which he has from Crane and Hoffman to the collector and the United States, in which bond Henry S. Welles is surety?"

"Awaiting your reply, I remain, very respectfully yours,

"J. EUGÈNE ROBERT,
"24 John street.

"HON. THOMAS MURPHY,
"Collector of the Port."

"Amended statement of value of goods.

"Invoice No. 214:

7,506.75 francs, at 5.07½ francs.....	\$1,479 16
Duties.....	287 00
Gold.....	1,766 16
Premium, 11½ per cent.....	203 10
	1,969 26
Freight-bill.....	\$28 28
Custom-house entry.....	6 30
	34 58
"Value in currency.....	2,003 84

"Containing 234 watch-movements and 225 watch-cases."

"NEW YORK, December 1, 1870.

"SIR: I imported on the steamship Santiago de Cuba, arrived here November last, a case of watches which were lost in the transit between the barge-office and the appraiser's store. These goods would sell here for between \$2,500 and \$2,600, and that amount I claim to be due to me.

"It is said that these goods were stolen from the custom carmen who had them in charge, but of this I have no personal knowledge.

"As the goods were not in my custody at the time of the loss, I respectfully request that you see that such measures be taken as will insure the reimbursement to me of the amount due.

"I am, dear sir, yours, truly,

"J. EUGÈNE ROBERT,
"By CONDERT BROS.

"HON. THOMAS C. MURPHY,
"Collector of the Port, New York."

"Bond.—Crane and Hoffman and Henry S. Welles.

"Know all men by these presents that we, Isaac B. Crane and George A. Hoffman, principals, and Henry S. Welles, surety, are held and firmly bound unto the United States of America in the sum of fifty thousand dollars, lawful money of the United States of America, to be paid to the collector of the port of New York, his successors in office, or assigns; for which payment, well and truly to be made, we bind ourselves, our and each of our heirs, executors, administrators, and assigns, jointly and severally, firmly by these presents, sealed with our seals, dated the 14th day of February, 1870.

"Whereas the said Isaac B. Crane and George A. Hoffman have made application to be appointed custom-house cartmen within and for the district and port of New York:

"Now, the condition of this obligation is such that, if the said Isaac B. Crane and George A. Hoffman shall well and truly perform the several duties of custom-house cartmen, according to the rules and regulations prescribed by the Secretary of the Treasury relative to the lighterage, cartage, and drayage of goods in bond, &c., and the regulations prescribed by the said collector in relation to said lighterage, cartage, and drayage, by said Isaac B. Crane and George A. Hoffman, of any goods, wares, or merchandise from vessels to bonded warehouse or to public stores, or from one warehouse to another, or to any other place, when directed by a proper officer of the customs, then this obligation to be void; otherwise to remain in full force and effect.

"ISAAC B. CRANE.

"G. A. HOFFMANN.

"HENRY S. WELLES.

"Signed, sealed in presence of—
"HAMILTON FULTON."

"DISTRICT OF THE CITY OF NEW YORK :

"We, Isaac B. Crane and George A. Hoffman, having been appointed custom-house cartmen of the district of New York, do solemnly, sincerely, and truly swear that I will diligently and faithfully execute the duties appertaining to said appointment and will use the best of our endeavors to prevent and detect frauds in relation to the duties imposed by the laws of the United States. And I further do solemnly swear that I have never voluntarily borne arms against the United States of America. (Oath of allegiance.) So help me God.

"ISAAC B. CRANE.

"G. A. HOFFMANN.

"FEBRUARY 14, 1870."

"CITY AND COUNTY OF NEW YORK, ss :

"On the 14th day of February, 1870, before me personally appeared Isaac B. Crane, George A. Hoffman, and Henry S. Welles, who are known to me to be the persons described in and who executed the within bond, and severally acknowledge that they had executed the same.

"HAMILTON FULTON."

"CITY AND COUNTY OF NEW YORK, ss :

"Henry S. Welles, the surety named in the within bond, being duly sworn, deposes and says that he is worth the sum of fifty thousand dollars over and above all his liens, debts, demands, and accounts of every nature whatsoever.

"HENRY S. WELLES.

"Sworn and subscribed before me this 14th day of February, 1870.

"HAMILTON FULTON,
"Notary Public."]

By Mr. BAYARD :

Q. What is your knowledge and understanding in respect to the payment of gratuities or moneys to custom-house men by merchants for facilities in passing their goods?

—A. I should rather not speak about it if I am to betray the confidence of other parties. It is generally done, as I understand, but I specify no cases.

By the CHAIRMAN :

Q. Do you know of instances where it has been done?—A. Yes, sir.

Q. What are the circumstances under which it was done?—A. Well, for instance, if I wish to have a case immediately I will give something as extra labor, or call it what you like; we never call it a bribe; we call it extra labor.

By Mr. STEWART :

Q. You say you give something for what you call extra labor when you want to get a package quick?—A. Yes, sir.

Q. Have you done that yourself?—A. I can recollect but one instance.

Q. When was that?—A. I could not specify the case; we receive every week cases. I may mention the way it was done.

Q. I would like to know, and when?—A. Well, I cannot specify.

Q. About how recently?—A. That I could not tell.

Q. Done in 1871?—A. Last year.

Q. What time in 1871?—A. That I could not tell.

Q. Could you not fix the time pretty nearly?—A. Well, even if I knew I would not either betray an inspector or the confidence of any one who said it. I never gave it as bribe. I went to see the party to see whether I could have my case quick enough; the party mentioned that it was in the hold of the vessel, (which was not the case,) and he could not get it out immediately. I said, "There are plenty of men here on the dock, longshore-men; just give them this extra dollar and they will hunt it up." I don't know where my money went to; I did not wish to look to see.

Q. How much did you give?—A. In this case I gave but a dollar.

Q. You gave a dollar to him to give to some longshore-man to hunt it up?—A. Well, he might do what he pleased with it; it was none of my business; I wanted my case.

By Mr. PRATT :

Q. Did he fetch it up from the hold pretty soon after that?—A. I don't know; I left.

By Mr. BAYARD :

Q. Got your case pretty promptly?—A. I came down to the custom-house the same afternoon. I may mention that before that he said I could not get it very well before a week or ten days, and I knew the steamer left before a week, and our goods came in the same as the mail does, in the purser's room, I think, so when the permit is there

they could be sent out of the custom-house in a couple of hours; they never go by general order.

By Mr. HOWE:

Q. You say the inspector told you the case was on the vessel?—A. Yes, sir.

Q. Do you say it was not on the vessel?—A. It was on the vessel.

Q. Then don't you know the money went to the man on the vessel?—A. No; I know it does not.

Q. How do you know it does not? Do you mean to say an officer of the customs could go on that vessel and take the case off?—A. The permit was there. Of course the case would not have come off before the permit was there. The permit was there already.

Q. Could the inspector go on the vessel and take the case off?—A. It is none of my business how it is done; but it does come off.

Q. Very well, who puts it off?—A. Some one on the vessel, I suppose, puts it off, but they don't get the money, that I know. No one likes to testify in these things. I know many merchants would say the same thing if they dare; I suppose so myself; I don't wish to mention any particular case, but I know it is generally done—it is often done.

Q. Do you think it perfectly right to come here and testify that it is the general usage for inspectors to take money?—A. I did not expect I should be asked that question.

Q. Asked what question?—A. On this subject.

Q. Well, you were asked, not if it was the general practice, but you were asked what you knew about it?—A. I said what I knew about it.

Q. And you say it is a general practice?—A. Or often done; whichever you like.

Q. I like the truth, Mr. Robert.—A. Well, I can't judge of other merchants' business; I know it is done, by general conversation; I constantly hear it is done.

Q. Can you mention the name of any individual that ever told you that he had done it?—A. I mention nobody but myself.

Q. You have done it in one instance?—A. I have done it in one instance.

Q. How often do you receive invoices?—A. Every week.

Q. How long have you been importing?—A. I have been in the business twenty years.

Q. And you remember one instance in which you, who receive invoices every week, have paid money?—A. It was asked whether I did it personally; I did it once personally.

Q. In twenty years?—A. As far as I can recollect.

Q. And you are confident that that money did not go to the man who dug the case out of the boat?—A. I have no proofs to that effect. I can say this much, that if something is paid the case comes out immediately; if not, we may be ten or twelve days without it; and it is to our interest to have our case immediately rather than, as in this case here, to have it stolen.

Q. I can understand very well that by paying money you might get your case sooner, but I don't understand how by paying money to me, or to the inspector, who has nothing to do with the boat, you could get the case off the boat any sooner. That is what I want you to explain. What power has the inspector to get the case off the boat?—A. He has perhaps power to retain it on the dock; I don't know.

Q. Not until it gets on to the dock, has he? The trouble with your case was that it was in the hold of the vessel, or on the vessel packed with other cases?—A. Our goods come separate; they don't go with the general bulk of the freight; they are exactly just like the mail; our goods come in a separate department, being valuable goods.

Q. Your own individual goods have not a separate apartment?—A. No, sir; but our style of goods.

Q. Then that apartment had to be broken up?—A. Yes, sir.

Q. Your package had to be selected from all the packages in that apartment?—A. Yes, sir.

Q. Who did that?—A. I understand what you wish to say. You mean to say the inspector had not the right to come on board until the goods are delivered. I have no proof whether the money goes to the inspector or the parties on board the steamer. I should say it is the general belief it goes to the inspector.

Q. In this particular case do you know that you delivered the money to an inspector, or did you deliver it to the dock clerk?—A. To the inspector; but I left immediately after; did not look to see whether he got a man to look out after my case or not.

Q. But you know it was the inspector you handed it to?—A. I suppose so, because he was the only person there that took the permits.

Q. You handed it to the man who took the permits, did you?—A. Yes, sir.

Q. Is that your reason for knowing that he was the inspector? Did you know his name?—A. I don't know him nor his name.

Q. But he was the man to whom you handed your permit; is that so?—A. Yes, sir.

Q. Will you tell by what boat that case came?—A. Well, I could not specify.

Q. Do you know whether the dock clerk does or does not ever take these permits when they are brought forward by the importer?—A. Well, I don't know who the dock clerk is.

Q. And you don't know who the inspector is?—A. Not if there were many there; I would not know which of them it was; there might be three or four inspectors I would not know of my knowledge.

Q. You did not know the name of the man?—A. No.

Q. You don't know who was the dock clerk?—A. No, sir.

Q. And your only reason for believing this was the inspector was that he took the permit? That is your answer, is it not?—A. Yes; I merely wanted to state, and nothing further, that it was a practice often done, and I did not want to say anything beyond that.

Q. Now, I want to know whether you are correct about that or not.—A. I don't take anything back.

Q. I don't want you to take it back if it is true, but I want to know your means of knowing that it is true. You testify to a certain instance. I want to know your reasons for believing it was the inspector that you handed that dollar to at that time. I understood you to say your only reason for believing it was the inspector was, that it was the man that took the permit. Is that your only reason or not?—A. Yes, sir. I did not expect to be called upon in this case at all. I merely expected to be asked as to these papers.

Mr. CASSERLY. It is not a pleasant duty for any of us.

WITNESS. No, sir; it is not.

The chairman presented a communication from Bishop & Rein, dated New York, January 25, 1872, with accompanying letters, which were read by the secretary.

Mr. BAYARD. I think those suggestions touch a very important question, and should take a more permanent form. I move that they be printed with the testimony.

No objection being made, it was so ordered.

The communication and letters referred to read as follows:

“NEW YORK, *January 25, 1872.*

“SIR: We have the honor to submit to you the following facts. A case containing eight watches was consigned to us, or rather to Messrs. Austin Baldwin & Co. for us, by M. F. Dent & Co., of London, per steamer *Scotia*, in July last. When the case was delivered to us by the custom-house, it only contained seven watches instead of eight. The missing watch cost in London £39, (thirty-nine pounds sterling,) and we have paid the duty on the eight watches shipped to us. From the report sent by the appraiser's department to the collector, and the verbal communications made to us, it appears that the case was opened in the sample office, and that the missing watch was then subtracted by some one in the employ of the Government. We are informed that a man was dismissed on suspicion of being the thief.

“Yet, not only the Department has refused to refund us the price of the watch, but when we applied to the collector for the reimbursement of the duty paid upon it, we were met by a stern refusal, with the expression of great sympathy for our loss.

“We have the honor to refer you to two letters from the Department, the copies of which we inclose. In the first one the honorable Secretary admits the theft of the watch in the sample office, and, asserting that usual and due care has been taken by the customs officers, regrets that he is ‘unable to afford any relief.’ In the second letter, in reply to our further remarks, the honorable Secretary takes refuge in the latter clause of section three of the warehousing act of March 23, 1854, which reads: ‘And all imports deposited in any public or private warehouse authorized by this act, shall be at the sole and exclusive risk and expense of the owner or importer.’

“The legislator, however, cannot have intended to cover, by this clause, the responsibility of the Government from losses by thefts while the goods are under the sole charge and exclusive guard and control of its officers. Let us here remark, that from the time the goods are taken from the ship to the time they are delivered to the importer, he, the importer, is not allowed to see his goods, and he is not present any time his cases are opened, even for cases of watches, jewelry, and precious stones.

“If the honorable Secretary is correct in his interpretation of the law, let us pray your honorable committee to have said law amended at the earliest possible time, in the name of equity and of common sense.

“We have been told that any jury would give a verdict in our favor. We respectfully suggest that our lawyer's fees and the loss of our time would cost us more than our claim amounts to. We beg leave to put the case in the hands of your honorable committee.

“We also respectfully suggest the formation of a court of equity, composed of Government officers, to whom might be added some few notable merchants, to pass upon

and adjudicate all claims against the custom-house promptly and at small cost, when such claims would not exceed a stated amount.

"Very respectfully, your obedient servants,

"BISHOP & REIN.

"Hon. W. A. BUCKINGHAM,

"*Chairman of Senatorial Committee, New York.*"

"TREASURY DEPARTMENT,

"*Washington, D. C., September 23, 1871.*

"GENTLEMEN: Your communication of the 14th instant was duly received, relative to the loss of a watch from a package of watches imported by you, per Scotia, in July last, which package you allege, was delivered with the custom-house seal intact, and when verified the watch was found missing."

"The collector at New York reports, relative to this matter, that the package in question was received at the United States appraiser's office on the 8th July, and sent to the sample department for examination; that the case was then opened for the purpose of ascertaining its contents, and one watch taken out, which was immediately returned, and the case nailed up to go to the second division to be appraised; that this package then remained in the sample division from Saturday until the Monday following; that on Monday the case was sent to the second division of the appraiser's department, where it was opened in the presence of the assistant appraiser, and on counting the contents but seven watches and a portion of the wrapping-paper that had been around the eighth watch were found; that a special detective had been employed for a long time endeavoring to obtain the said stolen watch, thus far without success, but that he (the detective) yet hopes to find it, especially because there are very few watches of the kind in the United States. Under these circumstances, usual and due care having been taken by the customs officers for the safe custody of the goods in question, I regret to say that I am unable to afford you any relief in the premises.

"But, if you have any further suggestions to make, or any information to communicate that will throw additional light upon the subject, I should be pleased to consider the same.

"I am, very respectfully,

"GEO. S. BOUTWELL,

"*Secretary.*"

"TREASURY DEPARTMENT,

"*Washington, D. C., September 28, 1871.*

"GENTLEMEN: The letter of the 26th instant is received further in relation to a package of watches imported by you per Scotia, in July last, from which one watch was missing on its delivery to you. In reply, I would respectfully call your attention to the latter clause of section 3 of the warehousing act of March 28, 1854, which reads, 'And all imports deposited in any public or private warehouse authorized by this act, shall be at the sole and exclusive risk and expense of the owner or importer.' Although the Department regrets exceedingly that any cause has arisen for a complaint of the kind you make, I am unable under the law to grant you any further relief than the investigation already instituted by the collector at New York (by which he hopes to obtain the missing property) may afford.

"I am, very respectfully,

"J. F. HARTLEY,

"*Acting Secretary.*

"MESSRS. AUSTIN BALDWIN & CO."

On motion the committee took a recess until 7½ o'clock p. m.

EVENING SESSION.

The committee met at 7½ o'clock p. m.

No witnesses being present, on motion the committee adjourned to Friday, January 26, 1872, at 10 o'clock a. m.

FIFTH AVENUE HOTEL, NEW YORK, *January 26, 1872.*

The committee met at 10 o'clock, pursuant to adjournment, when proceedings were resumed.

JAMES JOHNSON, a witness, being duly sworn, testifies:

By Mr. HOWE:

Question. You are a partner of Mr. Bigelow's?—Answer. Yes, sir.

Q. Of the firm of Bigelow & Johnson?—A. Yes, sir.

Q. What is your business?—A. We are brokers.

Q. Give us the result of your experience as to paying money to custom-house inspectors.—A. My experience in that respect is not very extensive. We have had one exceptional case. I don't remember any more, and that was very exceptional.

Q. What was that case?—A. We had a lot of iron, the circumstances of which were peculiar. We could not take out a permit without instructions from certain parties. The vessel had been in port discharging for about two or three weeks. I knew that the iron was very nearly coming out, but the parties from whom we had to receive instructions being out of town, and not knowing whether the iron would be sold as bonded, I simply requested an officer not to break any law, but to warn me when it was necessary that a permit should be there.

Q. Repeat that.—A. I requested the officer, whom I did not know, to warn me when it was necessary that the permit should be there at the very last moment, and I gave him \$5. He was to come to me after hours when he was off duty, and tell me the last moment I would have my permit. That is the whole circumstance of it.

Q. Give me the name of the ship.—A. The Johanna Ingalls, that particular ship.

Q. When was she discharged?—A. About three weeks ago, I think.

Q. You don't know the name of the officer to whom you paid this \$5?—A. No, sir.

Q. Do you know that he was an officer of the customs or an officer on the dock?—A. I believed him to be an inspector on duty.

By Mr. CASSERLY:

Q. Do you know of any reluctance among men in your profession to give such testimony as will involve them with the officials of the custom-house?—A. I can conceive of such things.

Q. In what way would that embarrassment arise in the transaction of their business?—A. Some men think they might be annoyed, whether justly or unjustly I cannot say, but the expenses of general-order storage on such goods are frightful. I intended to bring a bill with me showing the expense on a general order, but unfortunately I left it home.

Q. State the circumstances of that one bill if you have them in your memory.—A. In that one case 128 tons of iron were taken to the general-order stores, and the cost of that 128 tons of iron was \$450.

Q. When was that?—A. That was about a little over a year ago, I think.

Q. To which general-order store was that amount taken—to the Washington street or Leroy street stores?—A. That was on the east side. The goods were in store a month or less, not more than a month. In addition to this was the cartage out of the store, because these goods go by water invariably, and they would have to be carted to a lighter.

Q. Was your house wanting in diligence in attending to that iron?—A. There was no want of diligence on our part, but there was a want of diligence on the part of those parties from whom we should have had instructions, unquestionably.

Q. You mean that your constituents were not as prompt as they should have been?—A. They should have been more prompt.

Q. In furnishing the necessary information?—A. Yes, sir.

FIFTH AVENUE HOTEL, NEW YORK, *January 26, 1872.*

CHARLES W. VAN SANN, a witness, being duly sworn, testifies:

By Mr. HOWE:

Question. What is your employment?—Answer. I am superintendent of Leet & Co.'s general-order stores.

Q. How long have you been in that employment?—A. Since October, 1870.

Q. How long have you been in the warehouse business?—A. Sixteen years.

Q. Have you ever had anything to do with the storage of general-order goods, so called, before you went into the employment of Leet & Co.?—A. I have always been connected with general-order stores.

Q. All that time?—A. Yes, sir; with the exception of perhaps probably of two or three months.

Q. In whose employment have you been previously to entering the service of Leet & Co.?—A. I was with McIntyre, Bixby & Co., Humphrey & Co., and Bixby & Co.

Q. How do the accommodations in the stores of Leet & Co., compare with the accommodations furnished by other store-keepers in that business?—A. I think their accommodations are as good as any I have ever seen. The stores on Leroy street are the best for a business of that kind that I ever saw.

Q. How do the charges made by Leet & Co. compare with the charges made by other

store-keepers?—A. The charges made by Leet & Co. are just the same as have been made by the other general-order stores ever since the business was given to private parties. I have read the charges there, and have had a great deal to do with organizing the rates to be charged on goods. I have watched all the charges made by general-order men, and we have the charges of other general-order stores.

Q. Have you ever been connected with a general-order store where there was not more or less complaint of its charges?—A. No, sir; there have always been some that would complain of almost any charge; that has been my experience.

Q. Did you ever know of any man engaged in that kind of business that did not find somebody in the community to complain of him?—A. I do not know that I did.

Q. What do you consider to be the charges—what is the rate of charge of Leet & Co. on general-order goods?—A. The charges will average from one cent to one dollar for storage; it depends entirely upon the size of the goods.

Q. That is stating an average a little mild.—A. Ordinary packages are 50 cents a month.

Q. What?—A. Ordinary sized cases of dry-goods.

Q. For storage and labor?—A. Fifty for storage and 50 cents for labor.

Q. Then a dollar is the average charge on ordinary packages for storage and labor?—A. Yes, sir.

Q. And what they pay for cartage is added to it?—Yes, sir.

Q. Will you tell the committee whether goods can be and are delivered from Leet & Co.'s stores with as much expedition as from other stores?—A. They are delivered more promptly from that store than from any other store that I have been connected with.

Q. Do you know the situation of the stores owned by the Cunard Company; are you familiar with their location and their character?—A. No, sir; I have never seen their store.

Q. Are you familiar with the character and location of the stores of the Hamburg and Bremen lines?—A. I have been in their stores.

Q. What advantage have those stores for the storage of goods over the stores occupied by Leet & Co.?—A. I do not see that they have any whatever.

Q. Could goods be delivered more rapidly from those stores to carmen than from the stores of Leet & Co.?—A. No, sir.

Q. Are, or are not, the entrances to warehouses of about the same capacity—the openings?—A. Do you mean a single entry?

Q. A single entry.—A. I do not know but that some doors may be wider than others in some stores.

Q. How much wider do you suppose?—A. I could not tell.

Q. Take the narrowest one you know of in your warehouse and compare with the widest one that you know of in your warehouse, and how much do you suppose would be the difference?—A. I do not suppose it would be more than from eight to twelve inches.

Q. The facilities for delivering and receiving goods into the warehouse depends upon the size of the openings?—A. Not so much, I should think, as it would depend upon the number of openings, and the number of places to receive.

Q. I accept the qualification. What is the number of openings in the Leroy stores?—A. There are from fourteen to sixteen.

Q. Could you deliver from all of these openings, if you had occasion to do so—if you had proper officers furnished for supervising the delivery?—A. Yes, sir.

Q. Are you permitted to deliver goods from any opening at which there is not a Government officer stationed?—No, sir.

Q. What is that officer called?—A. I mean to say, that is, without his permission—under his supervision. There would be no delivery without his permission or under his supervision.

Q. When he has permitted you to deliver goods, can you put them out at any door you please?—A. No, sir; it is under his direction—whatever he says.

Q. What is your officer called?—A. The store-keeper; there are two in there.

Q. There are two store-keepers?—A. Yes, sir.

Q. Why two?—A. On account of the business, I presume, and on account of their being so many openings to the store.

Q. What is the extreme length of time you have known carts to be waiting for general-order goods at Leet & Co.'s store?—A. I have known them to wait there from an hour to an hour and a half, but they would not be waiting for their goods particularly. They would come there, and have to take their turn in the line to get to the cashier's desk, to get their bills made out. They would not be actually waiting for goods, although they would be at the store that length of time.

Q. It would take them some time to get their bills?—A. Yes, sir.

Q. It is said that the firm of Leet & Co. made a special agreement with the clerk of Messrs. Stewart & Co. for the storage of their general-order goods; do you know anything of such an agreement?—A. No, sir; but I think I can explain that misunderstanding between Stewart & Co. and Leet & Stocking.

Q. What is there about it?—A. I notice that Mr. Stewart's clerk said that I had called down there and made an agreement to charge \$1.75 a package; that that was the amount we should charge. I have never been in Stewart & Co.'s place since I have been with Leet & Stocking. Colonel Stocking has been there, and I presume he is the gentleman they think is me. He went to see them about one bill for cartage there. They did not want to pay over \$1.75 a package, and when Colonel Stocking came back, I asked him how he had made out. He said he had agreed on that bill to make a reduction, so that it would be only \$1.75 a package, but he did not say anything about anything further. After that there was another bill that came in to Mr. Stewart, brought by Mr. Savage, Mr. A. T. Stewart's custom-house man. He came to me and said: Mr. Stewart is not going to pay over \$1.75 a package, so your folks need not charge it, for you will not get it. I asked him if I went into Mr. Stewart's to buy a piece of silk, and I should insist upon a reduction from what he charged for his silk, if he would allow it. He said he did not think he would. Then I said, I do not think we will allow you to say what we shall charge for our packages. I asked him if there were any bales of burlaps on the bill, and he said there were not. I said that if there were no burlaps included in it, I would let it go for \$1.75; but I told him we could not take burlaps at \$1.75. I did not speak to Messrs. Leet & Stocking about this. I wanted to make it as satisfactory as possible. I notified the clerks that they better not charge Stewart over \$1.75, unless it was bales of burlaps, or some ponderous package. From that time forward we have not charged over \$1.75. I did not consider that there was any agreement, and if the burlaps should come in to-morrow we should charge a great deal more.

Q. It is a large package?—A. They would weigh 2,000 pounds. The cartage on them would be \$1.75, if they came from across the river.

By Mr. CASSERLY:

Q. Do they weigh 2,000 pounds?—A. Yes, sir; and sometimes 2,300 pounds.

By Mr. HOWE:

Q. A Mr. Gale has made some complaint of your charges, to the committee the other day. Did you see his testimony?—A. I heard him give it.

Q. If I remember aright, he said that you sometimes charged as high as \$2.50 a package on goods, on which, at other times, you only charged \$1.50; and you sometimes charged \$1.50 a package for which, at other times, you only charged \$1.25.—We charge \$1.25 for a package landed on this side of the river, and we charge \$1.50 where the package comes across the river. There would be that difference in the cartage. I have always treated Mr. Gale as well as I could, when he came into the store, for the very reason that I wanted to get him out of it as soon as possible. He never comes in there but he uses very profane and blackguard language. When he paid that very bill he was very insulting to a man standing outside, who spoke something about the bill. He cursed him terribly; a custom-house officer was standing by at the time. His actions are so bad, that Colonel Leet has ordered him to be put out of the office if he ever uses such blackguard language again.

By Mr. CASSERLY:

Q. What do you say about putting out?—A. Mr. Leet has left orders that if he ever uses blackguard language before customers, that he shall be put out.

Q. Did you ever put him out?—A. No, sir.

By Mr. HOWE:

Q. What about these charges of \$2.50 a package?—A. It would be an extraordinary large package, large enough to make two ordinary packages; it would be a case that would be large enough to cut into and make two others.

Q. He said they were the same size as those for which you had charged \$1.50.—A. I understand that, and he also says that the case that we charge \$1.50 for, he could pick up under his arm. Then he stated that it contained ten cases of satin; anybody knows how much ten cases of satin are.

By Mr. CASSERLY:

Q. I thought he said silk?—A. No, sir; satin in rolls—those that are that large round, [indicating.] I think it would want a man with a pretty long arm to get ten pieces of satin under it, and he would have to be powerful to carry them. Then the satin has to be put in a box, and that of course would add to the bulk.

By Mr. HOWE:

Q. I do not understand whether you have charged \$2.50 to Mr. Gale for packages of the size of those which you have charged \$1.50 for.—A. No, sir, they never charged \$2.50.

Q. You have never made such charges?—A. Not for that sized packages.

Q. Have you looked at your books to see whether there has been any such charge made against that firm?—A. No, sir; the way we systematize the receiving of goods, there could not be any such charge. The packages are sized, and by looking at our books we can tell just the size of the packages and where we have located them in the store. If the case is as large square as this screen, [referring to the screen between the stove and the committee, about five feet high by four feet wide,] we can tell just where we have to look for it. If it is as small as a candle-box, we can tell where we have to look for that. If a package was of the size like an ordinary-sized package, we would know where we would look for that. We would not have charged \$2.50 for what is called an ordinary-sized case.

Q. When packages are delivered at the store, who inspects the size and determines the rate at which they shall be charged?—A. The receiving clerk, under my instructions.

Q. On what does he indicate the rate at which it shall be charged?—A. The articles that are enumerated in the "Warehouse Manual," do you mean?

Q. He does not have the receiving-book of the company with him, does he?—A. No, sir.

Q. On what, therefore, does he indicate the charge, so that the book-keeper shall know the charge?—A. He puts the size of each package and the location of the package on the ticket that is received from the inspector at the ship.

Q. And that goes to the book-keeper?—A. That goes to the book-keeper, into their office.

Q. Does he, or does he not, ordinarily know when the rate is fixed on the ticket to whom this package belongs?—A. He does not know.

Q. He cannot know?—A. No, sir. He would know A. T. Stewart & Co.'s goods from the mark, A. T. S.

Q. That is exceptional?—A. At times, A. T. Stewart & Co. would have so many different marks that the clerk would not know that the package belonged to him.

Q. Is there any other importer whose packages you know?—A. Yes, sir; E. S. Jaffery; his cases are sometimes marked R. J., in a diamond; and Lord & Taylor will have L. T., in a diamond.

Q. Suppose a package were to come in as large as that screen, what sort of a mark would you make on the ticket?—A. I would call that six extra. That is what would be three-fourths of a load, and a package the size of that square screen, coming from Jersey City, we would charge \$1.75 for. We would know we would pay 75 cents for cartage as soon as we saw the rate on the book. We would receive that case, and a little square one, about one-quarter of its size, and charge 75 cents cartage for the larger case, and 25 cents for the smaller one. They would make a load.

Q. Suppose you had another case, one-fourth the size of that, what mark would you put on the ticket for that?—A. The mark on the ticket on the other one would be three. We would size it three. Then we would charge 75 cents for that small package, 25 for cartage, 25 for labor, and 25 for storage.

Q. Can you conceive it possible that any clerk in the employ of Leet & Co. might make such a mistake in rating a package that came to the store as that they would charge \$2.50, when the charge should only be \$1.50?—A. He might make a mistake in copying the ticket. The clerk, in copying it, may not put the regular amount down for the case.

Q. If such an instance should be brought to the attention of the book-keeper, or to yourself, or to the firm, would there be any hesitation in correcting it?—A. I correct them every day, if a carman represents that the cases are sized too high, just on his representation. The carmen know about what they ought to pay for their goods, and what they are in the habit of paying for them.

Q. Another witness complained of having been charged heavily at the store on some machinery he had imported, and instanced a charge of cartage of \$90, whereas he paid for removing the same machinery from the store fifty and odd dollars. Did you see Mr. Buchanan's testimony?—A. Yes, sir; I recollect all about that machinery.

Q. State what you remember about it.—A. The machinery was brought into the store, and \$90 cartage was charged, and we paid it. We thought it was reasonable. When the machinery was carted away, the same man carted it away who brought it in. He happened to be outside. Mr. Buchanan saw him standing, and he asked him if he would not cart it away, and the cartman said he would; and he made an agreement to cart it for \$53. I said to the carman that I thought it was very strange; "You carted it for \$90, and you agree to do it for \$53 afterward." It appears that his trucks were not doing anything that day, and he thought he had better cart it for \$53 than to have his trucks standing idle and having men to pay. I spoke to this same carman about it yesterday morning, and he said that was the reason. Another thing was, that when he carted them from the dock there was a great deal more of expense to load the trucks from the dock, but when he carted the goods out of the store our laboring-men were there, and put the machinery on the trucks for him and saved him

that much labor, and he could well afford to cart them out cheaper than he could cart them in.

Q. If I remember aright, that same witness represented that you had charged him storage on all the machinery, although there were several packages that did not go into the custom-house, but were left out of doors, and were rained upon and were injured by the rain.—A. There were several packages that were put on the stoop that we did not take in. If we had taken them in, the bill would have been a great deal more than it was. We didn't charge as much for them as if we had taken them into the store. There was a special watchman put to watch them at night, and they were covered up if there was any rainy weather. We have never heard any complaint about their being damaged. They never said anything to us about them. This is the first I ever heard of it.

Q. I am not sure that I remember his testimony correctly, but that is my impression. Another witness complained that on the storage of some wire, the firm undertook to charge 15 cents a coil, but subsequently took 10 cents a coil, the like of which he had stored at another place for two or three cents, or some very much less sum. Do you know Mr. Tillotson?—A. I saw him give his testimony.

Q. You recollect what his testimony was?—A. Yes, sir.

Q. What are the facts about that transaction?—A. We were governed entirely by the Warehouse Manual, which entitled us to 16 and 16; but I have always made it a rule, as far as possible, to keep within those rates, in case complaint should be made, to show that we were not charging as much as we were entitled to; and so I charged them 15 and 15, although we were entitled to 16 and 16. As he made a complaint about the price, I told Mr. Leet the goods would pay at 10, and that they would be satisfied with 10, and we made the reduction. As it is, Mr. Tillotson was satisfied to pay the bill, and turned around and warehoused two hundred bundles more of the same shipment at our store, only a different mark of wire, knowing that he would have to pay the same price.

Q. The same sized coils?—A. Yes, sir.

Q. Are they in your store-room or have they been removed?—A. They were there this week, and there now if he has not taken them out. I know that he sent for the bill the other morning. They had been in three months and a half. He could have taken them away and put them in any store he saw fit.

Q. Did you hear Mr. Hutton's testimony before the committee?—A. He spoke of an excessive charge of \$1.50. He didn't produce any bills for cases at \$1.25.

Q. You say that Mr. Hutton had no bills with him at \$1.25; have any such bills been receipted to him?—A. Yes, sir; plenty of them.

Q. If you have any statement to make in reply to Mr. Hutton's allegations, you can do so.—A. I have made general-storage bills out for Mr. Hutton for a great many years, and I have never known him to be satisfied. He has protested all his bills with all firms that I have been connected with, and if I understand it, he does that any way, on general principles. He thinks that his goods ought to be stored and carted for nothing, or that the amount should come out of the duties. He said so here on the stand. Mr. Hutton also said that he had received insolent replies from Leet & Co. I can account for that in this way: When there are fifteen or twenty carmen in a line, taking their turns to have their bills made out, Mr. Hutton's man will have his permit there to have his bill made out. It will probably take fifteen minutes to have them made out. Then, after that, he will want a duplicate bill. It would not be just to the other carmen to make out two or three bills and keep the others all waiting. We might have refused at that time, but at any time we had leisure we would have cheerfully furnished them. His carman may have construed our refusal of them into insolence.

Q. Mr. Gale, I think, also complained of insolence on the part of some of your employés and of one who proposed to make him a present of a quarter of a dollar.—A. Yes, sir; I saw the young man about that as soon as I heard it. It appears that Mr. Gale came into the office. He had been to the custom-house and had seen the warehouse superintendent, who allowed him 25 cents reduction on his case. He came into the office, and instead of handing the bill in and asking 25 cents deduction, he said, "Here, you God-damned swindler, give me 25 cents on this case. I wish to let you know that you will not charge what you are a mind to." Of course the young man felt insulted, and they got into words, and the young man said, "I cannot give you 25 cents without the authority of Mr. Leet; but," he says, "I will give you the money," and he put his hand in his pocket, took out 25 cents, and gave him.

By Mr. CASSERLY:

Q. You don't know anything about that yourself?—A. I know the young man told me.

Q. But you do not know except from his statement?—A. That is all.

By Mr. HOWE:

Q. Does it seem likely that a young man would feel insulted by being called a "God-

damned swindler?"—A. I should not like to have anybody call me that if I was at the desk.

Q. That sort of sensibility will not do in New York. What did you say his name was?—A. His name is Doremus.

By Mr. CASSERLY:

Q. He is one of your young men?—A. Yes, sir; he is cashier of the lower store. I do know something myself of Mr. Gale's actions in the office at our store and what language he used the last time he paid storage to a gentleman who was paying store-age at the time, just because he had said a word about a bill that was going to be made out. It was a great deal worse language than I have repeated as having been used by him to the young man at the lower store.

By Mr. HOWE:

Q. Do you know how the fact came to the knowledge of Leet & Co. that anybody had been insulted about that storage, and that a proposition had been made to give a quarter of a dollar to Mr. Gale; do you know how Leet & Co. first learned it?—A. I think they learned it from the warehouse superintendent.

Q. Do you know how it was represented to them as to who was insulted?—A. Colonel Stocking told me that Mr. Gale represented himself as Mr. Aymar, of Aymar & Co., a merchant of high standing; that that was what the warehouse superintendent said.

By Mr. CASSERLY:

Q. That was a case, then, of false personation against Mr. Gale, as I understand you?—A. Yes, sir.

By Mr. HOWE:

Q. What you know is what Colonel Stocking told you?—A. Yes, sir; that Mr. Gale had been to the superintendent's office and represented himself as Mr. Aymar, of Aymar and Co., and stated that he had been grossly insulted at Leet & Co.'s store.

By Mr. PRATT:

Q. I was not in at the commencement of your examination, and I may ask some questions which you have already answered. What arrangement has there been by Leet & Co., or Leet & Stocking, or by persons in their employment, with the inspector, to hurry general-order goods to their store?—A. None whatever.

Q. Do you know of any influence whatever brought to bear upon anybody to induce goods to be sent under general orders to these stores?—A. No, sir.

Q. Has there been, since they have had the general-order business, an increase of the amount of goods sent under general orders beyond that of former years?—A. There has been of general-order goods in this city on account of new steamers coming over, but not since Leet & Stocking had it.

Q. Would the amount sent under general orders increase with the amount of imports into this port?—A. I presume they would.

Q. Of course your profits increase with the number of packages that are sent to your stores?—A. Yes, sir.

Q. Now in relation to these profits: I wish to inquire of you what profits are made by Leet & Stocking by the cartage system?—A. None whatever.

Q. Do I understand you to say that in the bills they render to the merchants they never add anything to the amount actually paid to the carman?—A. They never do.

Q. Where do you find the rates of cartage laid down; you spoke about the warehouse manual; are the rates laid down in that?—A. No, sir; I saw a paper on the desk here. [Referring to the custom-house regulations.]

Q. Do you refer to the rates of cartage in these regulations that I have before me now?—A. Yes, sir.

Q. As to merchandise that is landed on this side of the river, does the cartage, as a general thing, exceed the half mile to your stores?—A. Some of the cartages do.

Q. About what proportion of the goods landed on this side of the river and sent under general orders travel more than a half mile?—A. Most of the goods are within a half mile on this side of the river that come to our stores.

Q. In these rates of cartage I notice that all goods and warehouse merchandise not above enumerated, per load, the allowable charge is 50 cents. That includes, I presume, all dry-goods packages, does it not?—A. Yes, sir, for the first half mile.

Q. How many of these packages, as a general thing, are put on a load?—A. They will average two to a load.

Q. Would not the average be higher than that?—A. No, sir. They frequently will bring nine packages and send in a bill for five loads, being four loads of two packages each, and one package will make another load.

Q. Then, if I understand you, that the cartage charge on each package brought by the carman would only be 25 cents?—A. Yes, sir.

Q. Do you pay the carman according to these rates of cartage?—A. Yes, sir.

Q. Suppose he should charge higher than the sum laid down in these rates, would you cut down his bill?—A. Yes, sir; we do cut them down.

Q. Do instances frequently occur that you cut down the cartage charges of the carmen?—A. Yes, we do at every steamer.

Q. Do I understand you, then, that the rule is a generally inflexible one to pay the carman no more for cartage than is laid down in these rates?—A. Yes, sir.

Q. Is there any manual laying down the rates of storage?—A. There is a warehouse manual that we have been governed by.

Q. Do you make your rates of charges in accordance with that manual?—A. We do, sir.

Q. Is there a fixed principle governing all your charges for storage, or are they somewhat capriciously made?—A. There is a fixed principle.

Q. What percentage of reduction in your charges for storage and labor would be made, and still leave a fair margin for profit to the keeper of the general-order store, in your judgment?—A. I do not think any reduction should be made. The business requires the attention of two men. They are running great risks. They have to take the leases of stores at enormous rents, and in case they should undertake to take the business at any lower price than they do, I do not think it would pay them. I do not know what the business is worth, but I should judge it was worth between \$30,000 and \$40,000. I have not looked at the books, or anybody's books. I do not think that is too much for any two men to make in any business.

Q. Would the uncertainty of their continuance in business be an element in the charges they would make; would the fact that it might be taken away at any time from them constitute an element in the charges that they made?—A. I do not know that it would. I should not charge any more because I did not expect to keep it; it would not be fair.

Q. In what proportion of the bills rendered by Leet & Co., for cartage, storage, and labor, have complaints been made of excessive charges? I want to learn how general the complaints made against your charges are.—A. I suppose it would average about two complaints a month.

Q. Where complaints have been made, state what the practice is—whether to institute an investigation, a fair and candid investigation, or do you refer the matter to somebody else?—A. If they bring their complaints direct to the store, I always go with them to look at their cases, or look at similar cases in the store. I do my best to make it satisfactory to them even if I take their goods a little lower, sooner than to have them dissatisfied; but if they go direct to the custom-house and make a complaint without coming to the store, I insist upon having the exact rates to which we are entitled without reduction.

Q. One witness spoke of considerable delays that occurred in the fall of 1870, about the time of the defalcation of Mason & Co., in the delivery of goods from your store; that the carman would come there two or three times without being able to get their goods. Were you in the employment of Leet & Stocking at that time?—A. I had just taken charge, and had just commenced to organize the force. I had all green hands to teach; they did not know anything about the business. I had just as much as I could attend to. The complaints of delays in getting cases often occur in this way: A permit might come into the store for twenty cases of goods, and we will find fifteen in store and the other five are still on the dock; but the carman will come for two or three days. We cannot give them to him until we receive them, and he reports that he cannot get them, and the merchant lays the blame on us.

Q. Since you have the business systematized are there any delays occurring now?—A. No, sir; none whatever, unless in a case of that kind where we have not got the goods, and in such cases the owner could save the general-order charges by going to the dock and getting the goods. The inspector would deliver them to him, and then he could bring a certificate order for the fifteen in store, and there would be no delay whatever.

Q. It has been stated that pillaging of packages may take place in your store; that a man could be lost in those rooms, and could be hid in those long passages between the tiers of packages for hours and not be discovered by any one; what is the fact in relation to that?—A. It would be impossible. In the first place we have a number of men in the store all the time—twenty men. The clerks are running through the store in all directions, and besides that we allow the carmen whom we know when they come to present a permit for goods, instead of keeping them standing down stairs and waiting—the privilege, if they desire it, of going and looking for their own goods. If man was a going to steal he would have to have a good many in with him.

Q. Do you say the thing would be impossible in those stores?—A. I say that it would be.

Q. What cases of pillage have occurred since Leet & Stocking have had the business?—A. None in our store.

By Mr. STEWART:

Q. You say that you know the charges in former times?—A. Yes, sir.

Q. Were you connected with the business at the time Mr. Meyer had it?—A. I was with Mr. Bixby at that time.

Q. How were the charges of Bixby and Meyer?—A. They were about the same. Mr. Meyer charged a little more on some packages, and a little less on others.

Q. What means had you of ascertaining that?—A. Our warehouse was down town, and Mr. Meyer was above us. Sometimes a carman would start from Meyer's with a package, and as he came down would stop for a package at our store, and if he had any of Meyer's bills, I would have a curiosity to see how much it was.

Q. You say those bills were the same as they are now?—A. We are charging less now than what Mr. Meyer did. I can give you a memorandum of A. T. Stewart's packages, which run about the same as they always did, from Humphrey & Co.'s books, from 1864 to 1867: for packages that A. T. Stewart paid Humphrey & Co. \$1.50, they pay Leet & Co. \$1.25; for a package that they paid Humphrey & Co. \$2.16, they pay Leet & Co. \$1.50; for a package that they paid Humphrey & Co. \$2.16, they pay Leet & Co. \$1.50.

By Mr. CASSERLY:

Q. Whose charges are you speaking of?—A. I am speaking of the charges made by Humphrey & Co. on goods in their general-order stores.

Q. Between what dates?—A. Between May, 1864, and May, 1867.

Q. Were you in the employment of Humphrey & Co. then?—A. Yes, sir. These charges were the charges of the general-order stores to A. T. Stewart, except they afterward had a special agreement.

Q. What were Humphrey & Co.'s charges?—A. Mr. Stewart paid \$1.50 for what he now pays Leet & Co. \$1.25; and \$2.16 for what he pays Leet & Co. \$1.50; and \$2.25 for what he pays Leet & Co. \$1.75; and \$3 for what he pays Leet & Co. \$1.75.

Q. During what years?—A. These extended through the time from May, 1864, to 1867. These were charges upon goods from this side of the river.

Q. From May, 1867, down, how have the charges compared with Leet & Co.'s?—A. On June 1, 1868, I made an agreement to take Mr. Stewart's goods, large and small, for 30 and 30.

Q. In behalf of what concern?—A. Humphrey & Co. and Bixby & Co.

Q. How long did that run?—A. I do not know how long it run; but since that there has been another agreement, where they take goods cheaper still, at 25 and 25. Mr. Bixby has not got the general-orders now.

Q. How much was cartage at the time goods were taken at 30 and 30?—A. It depended on the distances the goods came from. There was a different distance to Bixby's and Humphrey's stores than to our stores now.

By Mr. BAYARD:

Q. State what were the rates.—A. On a package they charged \$1.50 for, 50 cents would be cartage; on every charge of \$2.16, 66 cents of that would be cartage; on a package they charge \$2.25, 75 cents would have been cartage; on a package that they charged \$3 for, \$1 would have been cartage.

Q. In making this arrangement of 30 and 30, 25 and 25, and 50 and 50, or whatever it was, what did that include?—A. All sizes, large and small; bales of burlaps, carpets, bales of cloth, cases of dry goods.

Q. Did that include cases of wine?—A. A. T. Stewart & Co. do not have any wine.

Q. From 1868, how long did your employment with Humphrey continue?—A. The firm changed to Bixby & Co. Mr. Humphrey died.

Q. And you were with Bixby & Co.?—A. Yes, sir.

Q. Up to what time?—A. I was with Bixby & Co. up to October, 1870, and then I went to Leet & Stocking.

Q. And you have, during all this time, been regulating and superintending these prices?—A. Yes, sir. We have been making out general-order bills all through that period.

Q. You say that the charges at present are lower than they have been during that period?—A. They are lower than they were during that period, with the exception of Mason & Co. I think they charged five cents less than we do on similar goods, and I think Squires & Co. did too.

Q. You didn't compare these prices with what they charged over the river?—A. I know what their charges were over the river, for I have seen their bills. I saw a bill for a bale of cloth where they charged \$1. They have no cartage to pay. They put in a special charge for truckage. Although we have truckage we do not put it in; we include that in the bill for labor.

Q. Was there anything else in these bills?—A. They called storage, labor, and truckage \$1.

By Mr. CASSERLY:

Q. That was at the Jersey City stores?—A. The Cunard stores.

Q. What class of packages were those charges made on?—A. Bales of cloth.

Q. What sized packages?—A. A bale is about the same size—about 600 pounds in weight, I should think.

Q. Tell us how such a bale would compare in size with an ordinary dry-goods package?—A. We would call that an ordinary package. That is what we would rate six extra.

Q. You mean to say that an ordinary package was \$1 at the Cunard stores?—A. Yes, sir.

By Mr. STEWART:

Q. Did they have any complaints formerly, before Leet & Co., as to charges?—A. There are always some people who complain about charges of the general-order stores.

Q. How do you account for that?—A. I suppose they do not like to pay the charges if they can avoid it.

By Mr. CASSERLY:

Q. Who do not?—A. The merchants do not. I suppose I might give a different answer from that. I suppose that on account of the bonded warehouses storing goods so cheap, if a merchant finds his goods in the general-order store, he thinks he ought not to pay any more for them than if he had them in a bonded store.

Q. Why should he?—A. If they are received in the general-order storehouse, they have to have two store-keepers, and are under more expense. They have to handle the goods oftener. In a general-order store we might have a hundred casks of brandy, and they would be tiered up in the cellar, and a permit coming up, say for No. 1, and that No. 1 might be in the center, and we would have to take them out. In a bonded warehouse we would take in a load of liquor and would send a memorandum of how the liquor lay, and he would permit it in that way. It is the same way with other things.

By Mr. BAYARD:

Q. Do not they sample brandies from several casks in their purchases, and choose the cask?—A. Certainly.

Q. Don't the samples run so that when a man goes to buy brandy, he tastes the casks and then takes the particular cask he wants?—A. Yes, sir.

Q. If the brandy is in a bonded warehouse, would not the cask have to be removed from the middle of the pile as much as it would in the general-order store?—A. No, sir.

By Mr. CASSERLY:

Q. You have stated as a reason for most of the complaints made by merchants that they expect to get their business done in general-order stores as cheaply as in a bonded warehouse; is that correct?—A. I said I presumed that was the reason of complaints, because it is not done as cheaply as in a bonded warehouse.

Q. Then I understand you to say that it is a fact that bonded warehouses do business much less than general-order stores?—A. Yes, sir.

Q. Give us an idea of how much less for the same class of goods.—A. They would take bales of burlaps at 15 cents storage and 15 cents labor.

Q. Tell us what would be the charge for them in the general-order stores.—A. We are entitled to 80 and 80; but we charge 75 and 75.

Q. We will take that for comparison.—A. The labor on a bale of burlaps, to have it lifted on a cart, the merchant pays 25 cents for.

Q. What is it upon wire, for instance, telegraph wire?—A. We can get telegraph wire stored for almost any price.

Q. Give us some idea in figures.—A. If they commence at our store and we say 10 and 10, then they go to Squires and ask what he will take, and he will take it for 8 and 8—less than we. He could go on from one store to another, telling the prices of the previous store, until he gets down to two cents a bundle, by reason of competition.

Q. I am speaking of bonded warehouse charges.—A. That is what I am speaking of.

Q. Through competition, storage in a bonded warehouse for such articles may be obtained as low as two and a half cents?—A. Yes, sir; and a cent for that matter. I think there are certain stores that are in so much opposition to each other that they would take goods for nothing rather than have others get it. I have offered to take goods for nothing sooner than to see another store get it.

Q. A bonded warehouse?—A. Yes, sir; take it for nothing and pay labor.

By Mr. BAYARD:

Q. It requires a long purse to carry on business to that extent.—A. They do not make any money by it.

By Mr. CASSERLY :

Q. Your general-order store is also a bonded warehouse?—A. Yes, sir.

Q. When Mr. Tillotson stored with you certain bundles of wire, out of the same importation and the same character as those bundles about which he had a dispute with you as to the price, did he store them with you as a bonded warehouse?—A. Yes, sir; he transferred them to warehouse account.

Q. What was he to pay in bonded warehouse for that wire?—A. The same as he had previously paid. I noted it on the book at the time.

Q. Was that by agreement with him?—A. No agreement whatever.

Q. What was your note on the book?—A. We would have charged for it, had there not been a reduction in the other bill, 15 and 15, but having taken the other at 10 and 10, we changed the prices of this lot to the same price.

Q. I understand you to say that you proposed to charge Mr. Tillotson, on the wire which he stored in your bonded warehouse the same rates you charged him in the general-order stores?—A. Yes, sir.

Q. Is there any warrant for that in the mode of doing business?—A. Yes, sir.

Q. You stated that you supposed that the reason why the merchants complain of general-order charges is the expectation of having their business done in the general-order stores at the same rates that they pay in bonded warehouses, where the rates are so much lower?—A. I don't exactly understand your question.

Q. If the rates are so very much lower in the bonded warehouse than in general-order stores, do you propose to charge Mr. Tillotson the same amount for storing his wire in a bonded warehouse that you would in the general-order stores?—A. It is at our option what we shall charge in bonded warehouse.

Q. Do you propose to charge him the same, knowing the rates in bonded warehouse?—A. Certainly we do, for we do not consider that those rates are paying, from the fact that several of those warehouses have failed by reason of taking goods at those low prices.

Q. I understand you to say now that Mr. Tillotson is to pay you rates as high in the bonded warehouse on his wire as you charge him in the general-order stores?—A. Yes, sir.

Q. Is that your practice, to charge as much in your bonded warehouse as you do in your general-order stores?—A. We are not charging as much. We are entitled to charge 15 and 15.

Q. I know that you think you are entitled, but there may be a controversy about that between us which I do not wish to raise now. Is it your practice to charge as much in bonded warehouse as you do in general-order warehouse?—A. Yes, sir; unless there is a special agreement.

Q. Can you name any case now of any considerable amount, where you have charged for any considerable quantity of goods the same rate in bonded warehouse as you have in general-order stores?—A. I cannot name the amount, but I know they have sent the goods voluntarily where we have charged the same rates for general-order goods.

Q. I am speaking of any considerable quantity of goods?—We have no customer who sends any considerable quantity of bonded goods.

Q. Was there a large lot that Mr. Tillotson sent the other day?—A. Two hundred bundles.

Q. That is quite a lot of wire, is it not?—A. Yes, sir; he didn't send it to us. He warehoused it. It was sent into general orders, and he warehoused it and he allowed it to remain three and a half months. I do not think he would have sent it to us.

Q. You come here to disprove of the testimony of Mr. Tillotson, and one ground on which you testify is that Mr. Tillotson, after paying that bill of 10 cents for this wire in general orders, turned around, to use your own expression, and warehoused a lot of the same wire with you?—A. Yes, sir.

Q. I understand you to say that you did not inform him then that you intended to claim the same rates for that wire in the bonded warehouse that he had just paid in the general-order stores?—A. He knew very well he would have to pay the same rates.

Q. Did you inform him of that?—A. It was not necessary.

Q. Did you inform him of that?—A. No, sir.

Q. You simply made a memorandum on the book?—A. Yes, sir; we made a memorandum on the book that that would be charged.

Q. You testified a while ago that your practice was when people brought complaints directly to you as to your bills, you looked into them and reduced them whenever you find it right you should?—A. We reduced them whenever it was right we should; whenever the charge was not right we should make it satisfactory to them.

Q. But when a party went as a first resort to the custom-house your practice is to stand upon your bill as rendered and not reduce it?—A. We stand upon the bill as rendered; if that bill is correct, if we have not charged more than the rates entitle us to.

Q. Was the bill you first rendered to Mr. Tillotson correct?—A. Yes, sir.

Q. You knew that he spoke to the custom-house authorities, did you not, about it?—

A. Yes, sir.

Q. Yet you reduced it?—A. Yes, sir.

Q. So that you are not correct in stating what your practice was where resort was first had to the custom-house authorities?—A. We were obliged to reduce. The deputy collector ordered us to do so. We are governed by the collector in all our charges.

Q. Was it the deputy collector or surveyor who spoke to you?—A. They spoke to Mr. Leet or Mr. Stocking, I do not know which it was.

By Mr. BAYARD :

Q. Are you sure the collector reduced the charge?—A. Yes, sir.

Q. Has he power to reduce any charge?—A. Yes, sir. The collector took the general-order business away from one firm, because they would not reduce a bill to suit him.

By Mr. CASSERLY :

Q. Did the last collector order your charges to be kept up or reduced?—A. Mr. Draper allowed 60 per cent. on the charges fixed, and Mr. Arthur can make it as low as possible and throw it all off.

Q. Have you anything to do with the accounts of Leet & Stocking's stores?—A. No, sir.

Q. Do you keep any accounts?—A. No, sir.

Q. Do you size and rate the packages as they are received?—A. I instruct others to do it, and how to do it.

Q. You direct the sizing and rating of the packages as they are received?—A. Yes, sir.

Q. In every case?—A. Yes, sir.

Q. How many receiving doors have you?—A. We have got from twelve to sixteen.

Q. In how many doors do you actually receive goods?—A. We have received at ten doors, probably more, but ten doors that I know of.

Q. In that case who directs the sizing and rating of the packages?—A. The different clerks. The clerks all understand this mode of sizing packages; any clerk can take hold and rate and size them. They understand what the sizes are.

Q. What particular necessity is there of your doing any more than any clerk?—A. There are some times when they will ask me about it, if they are in doubt about a package, the number and its size. I formed that system for them, and I always stood at the door until I taught the men that part of the business.

Q. You are the head man in that respect, I understand you?—A. Yes, sir.

Q. You have given a good deal of testimony in respect to the details of the charges and facilities, and I should like to get your views in a narrower scope, if it be possible. I will ask you a few questions. Do I understand you to say that the rates of Leet & Stocking in general-order stores are lower than they have been for the last five or six years before they did the business?—A. Yes, sir.

Q. When did they get hold of the North River business?—A. They had it when I went with them. I went with them in October, 1870.

Q. Mr. Murphy was then collector?—A. Yes, sir.

Q. You say that their charges since that period are lower than they were for five or six years preceding?—A. With the exception of the stores I mentioned before. Mason & Co. charged less on some packages, and on some more, and so did Squires & Co. They were on an average about the same, for their stores were within the 50-cents distance.

Q. You say that for four, five, or six years before October, 1870, the charges in general-order stores were higher than those of Leet & Stocking have been since October, 1870, except in the case of the Mason stores and the Squires stores. I understand you to say that as to the Mason stores and Squire stores, you made a difference, because they were within the half-mile distance?—A. Yes, sir.

Q. Have I not understood you to say that the great bulk of the general-order goods of Leet & Stocking were within the half-mile distance?—A. Yes, sir.

Q. Why, then, did you draw the distinction between Leet & Stocking's charges and those of Mason and Squires; because they were within a half-mile distance?—A. You asked me if we took goods any less, if our prices were any less, and I said they were, with the exception of these two stores.

Q. And those exceptions were because they were within a half-mile distance?—A. Yes, sir.

Q. And I understood you to say that the great bulk of the general-order goods of the Leet & Stocking stores were within a half mile distance?—A. Yes, sir.

Q. Why, then, should they not be less than those of Mason and Squires?—A. They are in the same distance, and Mason and Squires and they should not be any less.

Q. They are not less?—A. They are not less than Mason and Squires were.

Q. For the same distance?—A. Yes, sir.

Q. How long were Mason and Squires in business in general orders?—A. I don't know how long Mr. Mason had it, nor Mr. Squires either.

Q. About how long?—A. I cannot recollect dates.

Q. You cannot?—A. No, sir; not years.

Q. You have been testifying to the years.—A. Those were taken from the books of Humphrey & Co.—those dates.

Q. Mason went out of the business some time ago, in the beginning of the fall of 1870, if I remember right?—A. Yes, sir; I think he did.

Q. Probably about that time you went in with Leet & Stocking?—A. Yes, sir.

Q. You don't know how long he had been in business?—A. I don't know; I could not give the time he had been, but I don't think he had been in business over a year.

Q. You don't know anything about the period that Squires was in the general-order business?—A. No, sir; I don't know how long he had the business.

Q. You also spoke of the promptitude of delivering goods at the general-order stores of Leet & Stocking, and said that, in that respect, they were superior to all their predecessors?—A. To any store that I have been in, or that I know of.

Q. I think you gave us to understand that you had been in a great many general-order stores from time to time, and that you were familiar with the business of all or most of them?—A. With the charges.

Q. What was the general result, as far as you know, in respect to promptitude in the delivery of goods received for storage? Do Leet & Stocking's stores compare favorably with those that have existed here before in this city?—A. Yes, sir.

Q. I understand you to admit that you did make an agreement with Mr. A. T. Stewart's representative, that with the exception of burlaps none of his packages should be charged at a higher rate than \$1.75?—A. I did not say so.

Q. Did you not talk with Mr. Savage one day in the store?—A. Yes, sir.

Q. What did you tell him before he went away in regard to your charges for storage?—A. I told him I would not make an arrangement at \$1.75, because, if he had burlaps he would have to pay more; but if there were no burlaps on the bill, I would fix the price so that this bill should not be more than \$1.75.

Q. I understand you to say that that bill had been settled by Mr. Stocking?—A. This was another after that time. Mr. Savage came to pay it, and I had this conversation with him.

Q. After Mr. Savage went away you gave instructions to your clerk not to charge more than \$1.75 except for the burlaps?—A. Yes, sir.

By Mr. BAYARD:

Q. Did you not make a settlement with Stewart & Co. upon the basis of that agreement and receipt a bill with a note on it to the effect that this agreement had been made at the time you signed it?—A. I don't think I did; I have no recollection of it.

Q. [The originals were here produced.] I don't know whether you were present when Mr. De Brot was examined?—A. I was present.

Q. Here is a copy of the bill which was produced, and it is receipted "per C. W. V. S." [Producing the certified copy of the bill.]—A. That is my name.

Q. The statement of Mr. De Brot was that Mr. Savage made an agreement with you at Mr. Stewart's store when you came there.—A. I have never been there since I have been in the establishment.

Q. That may be my inaccuracy.—A. He did say so.

Q. Whether you met this party, the representative of Mr. Stewart, or not, and whether this agreement was made or not, when he sent back a bill for charges in excess of \$1.75, the bill was settled by bringing down the maximum charge to \$1.75; and it was in precise accordance with the agreement alleged by Mr. Stewart to have been made; and the bill appears by the figures here to have been receipted and settled by you on that basis. The bill sent back is receipted by Leet & Co., per C. W. V. S., and it contains a memorandum that Mr. Leet saw Mr. De Brot and agreed that \$1.75 was the highest price to be charged.—A. I don't know anything about any memorandum.

Q. Do you say that a memorandum containing words of that kind was not upon the bill at the time you receipted it, and that you did receipt it without a deduction based upon that principle?—A. Do I understand that I wrote that memorandum, or that Stewart's clerks wrote it?

Q. Not that you wrote it, but that it was put on as a memorandum, and it was on at the time you settled the bill, and you gave a receipt on that basis?—A. Very likely it is written, but I would have taken it off and charged \$1.75 a package, except burlaps, without that memorandum having been on.

Q. But they did make a memorandum on the bill, and you receipted and settled that bill on the basis contained in that memorandum.—A. That memorandum would not have made a particle of difference. They may have understood that they had an understanding with Mr. Leet to that effect, but Mr. Leet denied ever making such an arrangement. No doubt Mr. Stewart thinks they did have an agreement to that effect.

Q. But they not only think they have, but they have actually obtained a deduction upon their bill upon such a basis.—A. I gave instructions, but I never told them that I would make that agreement.

Q. Then there was that resolution on your part that the charge should not exceed \$1.75, but the difference between you and Mr. Stewart is that your minds never met on that point, though separately you held to that fact.—A. This was done by myself without speaking to Mr. Leet anything about it. There was no agreement made.

Q. An agreement means where two minds come together, but it seems in this case that your minds were fixed upon the same point, but you say they did not meet.—A. Suppose I had not taken it off and had not reduced this bill?

Q. It seems that you did take it off, and you assented to the position in the writing before you.—A. I could have done it to suit myself.

Q. But you did it as a matter of fact?—A. We can charge them to-day what we choose.

Q. You did settle with these people as a matter of fact, with that memorandum before your eyes?—A. I don't recollect reading the memorandum at all. I don't recollect seeing it.

Q. These are your initials to the receipt?—A. Yes, sir.

Q. And there is a memorandum on the bill?—A. Please read the memorandum.

Q. I would rather you would state the facts. I understand you did say that you would have made a rebate any way, although you did receipt the bill with that memorandum on it?—A. I would have made the bill \$1.75. I have always been willing to make it, as far as I was concerned, \$1.75, unless Messrs. Leet & Stocking should object to what I was doing, though I hold there was no agreement.

Q. You never charged \$1.75 since, except for burlaps?—A. Yes, sir; they have made charges more, and I have made deductions from them.

By Mr. PRATT:

Q. What did you say about that memorandum; did you see it at the time you receipted the bill?—A. I have no recollection of seeing it. I don't say it was not there.

By Mr. BAYARD:

Q. You say that in your own mind it was an understanding that it should be done?—A. Yes, sir; I made my mind up that that was all I would charge.

Q. I ask you if you don't know forty times more about this business than Leet & Stocking?—A. Yes, sir; I will say that I don't think Mr. Stewart would say the memorandum was there if it was not there.

By Mr. CASSERLY:

Q. I have not understood you to suggest anything of the kind. Do you know Mr. Gale?—A. I have seen Mr. Gale. He calls me Mr. Buly?

Q. Do you know what his age is?—A. I do not.

Q. What would you say it was?—A. I don't know, but I should think he was about fifty or sixty.

Q. He is rather an elderly gentleman?—A. A pretty old man.

Q. Are you the person at the store of whom Mr. Gale took pains to speak kindly in his testimony the other night?—A. Yes, sir.

Q. And you to-day, I understand, have charged that old gentleman who spoke of you in such kind terms with having used this extraordinary language, and that upon a statement carried to you by Colonel Stocking from the superintendent of the lower store, that he falsely presented Mr. Aymar of Aymar & Co. Is that your position?—A. I understood Mr. Stocking to tell me that.

Q. Do I understand you to say also that upon many occasions this old gentleman so far forgot himself as use in your place of business profane language?—A. He has.

Q. Do you know to what house he belongs?—A. I do not, but I believe he belongs to Andrew Greever & Co.; he brings orders from there.

Q. You make out bills against those people?—A. Yes, sir.

Q. You don't remember their names?—A. I don't put their names on our bills.

Q. You put on the marks, packages, and charges?—A. Yes, sir; we put on the marks and number of the goods.

Q. Are you able to assert that you do not state the names of the parties indebted to you on your bills?—A. Not on the small bills that we make out for \$1.50 a package. In the case of A. T. Stewart & Co. we put their names on. I think you will find that the parties themselves have put their names in.

Q. What do you mean by saying that you don't put the names in of firms like those represented by Mr. Gale?—A. For the reason that more than half the time we cannot read the names on the permits.

By Mr. BAYARD:

Q. Why?—A. They are written in a hurry; it saves a great deal of time in making the bills out.

By Mr. CASSERLY :

Q. Where do I understand you the sizes and rates of each package received in this store at Leroy street are entered?—A. At the receiving door.

Q. By you, or under your direction?—A. Under my direction.

Q. Is there an entry of that size and rate made in the book of charges?—A. In our book.

Q. At the same time?—A. Yes, sir.

Q. From that book all the bills are made out?—A. Yes, sir.

Q. The bills are according to the book?—A. Yes, sir; that book will show the rate, size, location, and condition of the packages, whether in bad order, &c.

Q. Is the cartage charged on each package at the same time?—A. We can tell from the rate what the cartage will be on that.

Q. Do I understand you to say that every day, or quite frequently at least, at the request of the carman, you correct the sizes and rates of your charges?—A. Frequently we do.

Q. For storage and labor?—A. Yes, sir.

Q. The carmen who carry the goods to general orders are United States carmen, are they not?—A. Yes, sir.

Q. Appointed by the United States?—A. Yes, sir.

Q. And they are under the direction of the United States officials?—A. Yes, sir.

Q. What interest has such a carman in the charge to be made to a merchant for labor and storage?—A. None whatever.

Q. What interest has such a carman in reducing the rate of cartage?—A. None whatever.

Q. Then how can it be true, as you say, that very often, upon the suggestion of such carmen, you correct the rates?—A. We don't have the suggestion from those carmen that are appointed—carmen who ride the goods to the store. Those are not the carmen who complain about the prices. The carmen that I allude to are those who ride the goods out of the store—the merchants' carmen. They pay the bills. Nearly all of the bills are paid by the carmen—the general-order business.

Q. Upon their suggestion you frequently make corrections?—A. Yes, sir.

Q. Do you ever correct the rates of cartage at their suggestion?—A. No, sir; because the rates which we charge here have already been paid. We might take some off from the storage and labor, but from the cartage we could not.

Q. You settle with the carmen who bring the packages to you, and then collect the money yourselves?—A. Yes, sir.

Q. In every case?—A. In some cases the goods will get out before the carman will go for his money. That was the case with the Tillotson wire. That wire went out before the carman collected his money, and we lost \$3 on the cartage. We didn't charge him any for it.

Q. Who keeps the accounts of Leet & Stocking at the Leroy street store?—A. The book-keeper.

Q. What is his name?—A. W. A. C. Brigham.

Q. Has he been there since you were there?—A. Ever since I have been there. He was there before I went there.

Q. Do you know what books he keeps?—A. He keeps the general books, all the books.

Q. Will you tell us what you mean by general books and all the books?—A. For money received and money paid out. He keeps the bank and the check book, and has charge of the cash and the key of the safe.

Q. Is there an account of the moneys paid out and collected for cartage kept in the office?—A. Yes, sir; a receipt-book of the cartage paid, and checks drawn returned from the bank.

Q. Is there any book-keeper there besides Mr. Brigham at Leroy street?—A. No, sir; unless he might call on a clerk to help him.

Q. Does he keep the books and have charge of them?—A. Yes, sir.

Q. And makes out the bills?—A. Either he or I. The books are lying on the desk, and we make out the bills. We assist each other in making out the bills.

Q. You do make out the bills sometimes?—A. Yes, sir.

Q. Who is the book-keeper at the lower store?—A. Mr. Doremus.

Q. Does he keep the same line of accounts as you have described Mr. Brigham as keeping?—A. Yes, sir; the same thing.

Q. How many laborers are there in the Leroy store?—A. I think we have fourteen or sixteen ordinary men, and then we employ others as we want them from the street. Sometimes we have thirty men in the store.

Q. Is that often?—A. Yes, sir; frequent.

Q. How often?—A. It will not occur now, while we are so dull; but it does in a busy time.

Q. Does it occur for one or two days in a month?—A. Some months more than that. Sometimes it will run through a whole month—last year, for instance, when we were very busy.

Q. And your staff of laborers is at present about fourteen?—A. That is our regular force now; but when Saturday night comes, there may be probably six or eight extra men on hand to get pay for day's work.

Q. How much are they paid?—A. Forty cents an hour.

Q. The Government rate?—A. The longshore rate.

Q. That is the Government rate in paying warehouse laborers?—A. Yes, sir; they are longshoremen.

Q. How many other persons are there in the Leroy street store besides the laborers?—A. Eight or ten. I counted eight in my mind just now.

Q. That, of course, includes yourself, the superintendent, and the book-keeper?—A. Yes, sir; and the receiving clerk and clerk, the clerk at the public store office, the clerk for the change of location of goods, and the boy that marks the cases in the store.

Q. How old a boy?—A. About sixteen or eighteen; a clerk in the delivery office, and his assistant, who is with him.

Q. How many does that make?—A. I didn't count them.

Q. What does this boy get—what are his wages?—A. I don't know what salary the boy has, but I think it is five or six dollars.

Q. What, a day?—A. A week.

Q. How many hours a day do the laborers work—the regular men, for instance?—A. Our regular men work from 7½ until 6, and if they work after six, or between 12 and 1 o'clock, they are paid forty cents.

Q. They don't work from half past 7 in the morning in winter—from October to April?—A. Yes, sir; I think they do—no; from 8 o'clock, I guess.

Q. How are the regular men paid?—A. They are paid different prices; some \$12 a week, some \$14, and one gets \$20.

Q. He is the foreman?—A. Yes, sir; then they get their forty cents an hour after 6 o'clock.

Q. What proportion of your regular men get \$12 a week?—A. I suppose half of them—more than half of them probably.

Q. Eight or nine out of fourteen?—A. I guess so.

Q. How many get \$14?—A. I think there are two who get \$14, but I am not positive about that. I know there are two, and the others either get \$14 or more.

Q. Then of the regular men employed one gets \$20, two \$14, and the remainder, say \$12?—A. I think there is one gets \$13; then the remainder \$12.

Q. Then, there is a boy in addition who gets five or six dollars a week?—A. Yes, sir.

Q. The boy who does the marking?—A. Yes, sir, does the marking.

Q. He puts on "bad order" on the cases, &c.?—A. Yes, sir.

Q. The Leroy street stores are larger than the Washington street stores?—A. Yes, sir.

Q. How much larger are the deliveries?—A. These are the Leroy street stores we have just been talking about; do you mean the stores or the force?

Q. Either one. You can state the capacity of the store, and then state the force.—A. I don't know how much force they have got in the lower store. Mr. Leet's brother takes charge there. I think at the lower store they run it with about nine men—laboring men; then if they want an extra man they put him on.

Q. How many clerks?—A. There are three clerks and two boys.

Q. The boy is a marker as in the other case?—A. He is a marker and errand boy. There are four clerks, I should say, instead of three.

Q. Does that include the book-keeper?—A. Yes, sir.

Q. Are the laborers paid at about the same rates of those in Leroy street store?—A. Yes, sir.

By Mr. BAYARD:

Q. You are the superintendent of both stores of Leet & Co.?—A. Yes, sir.

Q. You have a supervising authority?—A. Yes, sir.

Q. I understood you to say that when you went there in October, 1870, you quitted the employment of Bixby & Co. and entered the employment of Leet & Co.?—A. Yes, sir.

Q. You spoke of your having green hands around you, and of having a great deal of trouble when you were systematizing and organizing the business?—A. Yes, sir.

Q. Were you not the only person connected with the other establishment who had any knowledge about the business at all?—A. No, sir.

Q. Who else were there?—A. Mr. Phillips, an old warehouse man. He was there; but general-order business is like a different business. A man who keeps a warehouse don't exactly understand all about the general-order business, although it is something in the same line.

Q. Although the general-order warehouse must be a bonded warehouse, yet it has peculiarities of its own that a bonded warehouse has not?—A. Yes, sir.

Q. You were the only person who understood it or had had any experience about it?—A. Except some of the laborers. There were men in the store who had worked in other stores before they came there.

Q. Merely men who handled goods?—A. That is the principle part of the business.

Q. Mr. Phillips understood the warehouse business, and you understood the warehouse business, and also the general-order business?—A. Yes, sir.

Q. Was anybody else in connection with that business, except these laborers, who had any knowledge or experience in the business you were undertaking?—A. I cannot think of any one else.

Q. You have spoken of the books of this firm being kept by these two book-keepers; I suppose that constitutes the main part of the business—receiving money for cartage, storage, and labor on goods?—A. Yes, sir.

Q. That is really what you may call the kernel and core of the whole thing, and that your book-keeper manages and controls?—A. Yes, sir. I can explain to you the reason, if you desire, why a warehouse-man would not understand the general-order business.

Q. I had no means of getting at a knowledge of this business except through you, and hence I asked you the question. I had no ulterior object in calling forth the fact. The book-keeper keeps the check-book, makes all the entries, makes out the bills, and the custom-house officers are there receipting for the goods; what else of clerical labor remains to be done by the establishment?—A. The proprietors have a good deal to attend to. If anything has happened to a merchant's cases, the first place they go to is a general-order store. They write, perhaps, for some case that has come by, we will say, the steamer Denmark, and want to know why it has not been sent. Then we find that they have given the name of the wrong steamer, and they are written to to that effect. The other day a merchant wrote a letter and wanted to know why we had not sent his permits to the custom-house to get them stamped. Either Mr. Leet or Stocking would answer that. We had nothing to do with getting them stamped; that is the broker's business.

Q. Except the matters you have spoken of, what is the occupation of the proprietors of this privilege?—A. They occupy themselves in answering letters; they occupy themselves in going round the various parts of the building to see that the clerks do their duties; because, if you tell a clerk that he must do so and so, he will not do it unless he is watched.

Q. It is to keep the men at work?—A. Yes, sir; they have a general supervision of everybody in their employ.

Q. You are the superintendent and the person upon whom the business turns?—A. At times I will be in the office, and Mr. Leet and Mr. Stocking will be outside in the building.

Q. I understood you to say that among the advantages resulting in increased safety to merchandise in the general-order stores was the fact that the carmen who came in were permitted to go over the store in search of their packages. Do I understand you that you consider the presence of carmen a source of protection to merchandise?—A. I should think the more people there were in the stores the safer the goods would be.

Q. Will you answer the question as I put it?—A. I should think it was.

Q. You consider the presence of the carmen coming for goods in the general-order stores searching for packages a source of protection to the merchandise?—A. Yes, sir.

Q. You spoke of certain charges running from May, 1864, to May, 1867. You said that on 1st of June, 1868, Messrs. A. T. Stewart & Co., made an agreement by which they were to pay at the rate of 30 and 30 for storage and labor on all their packages?—A. Yes, sir.

Q. How long did that agreement last?—A. I cannot tell how long it lasted but from that time forward I don't think he ever paid any more.

Q. That was Bixby & Co.?—A. Yes, sir; but he still made another agreement at 25 and 25.

Q. That was goods in general orders?—A. Yes, sir; they made that special arrangement, that for all of his goods that came into general orders they were to pay at the same rate.

Q. In paying for the cartage and labor, what is the rate you pay by?—A. Some call 1,200 pounds and more a merchantable load.

Q. How many average-sized packages make up a load?—A. About two.

Q. Any more?—A. Two average-size packages.

Q. Then if the average size-packages make two to a load, then the cartage for the first distance being 50 cents a load would be 25 cents a package?—A. Yes, sir; if they were both of the same size.

Q. Then the general-order charges under Bixby & Co. would be 30 and 30 and 25, making 85 cents?—A. Yes, sir—no; under that arrangement Stewart's packages would have been 33 instead of 25.

Q. Because the second distance had to be carried with Mr. Stewart's goods?—A. All of Mr. Stewart's goods.

Q. Then it was an average of 33 per package instead of 25 for cartage?—Yes, sir.

Q. Then we will call it 30, 30, and 33, which would make it 93 cents?—A. Yes, sir.

Q. That was the average general-order charge to Mr. Stewart on the 1st of June, 1868, and until 1870, when Mr. Bixby lost the business?—A. Yes, sir.

Q. Mr. Stewart's bills, of course, will show what he has paid since that time?—A. Yes, sir.

Q. Do you remember when Mr. Johnson held the general-order business?—A. Yes, sir.

Q. When was that?—A. I cannot recollect the time. I cannot recollect the year. It was some time during the time that Mr. Smythe was collector, I think in 1866.

Q. How long a time did he hold it?—A. I think about a year.

Q. From 1866 to 1867?—A. I think likely that was the time.

Q. You have been very precise in your statements in regard to Mr. Stewart's matters in connection with the general-orders; I would like to know how long and when it was that Mr. E. C. Johnson had the general-order business?—A. I think it was about one year.

Q. And what year was that?—A. I think it was 1866 or 1867, I cannot tell which.

Q. During that time do you know what his average general-order charges were, or under his administration, what his general-order charges were?—A. His charges would average about \$1.50 a package.

Q. You say they did?—A. I think they did.

Q. I ask you to be positive whether Mr. Johnson's charges were equal to those of Leet & Co., in 1871?—A. Mr. Johnson's store was down town, and I do not know much about Mr. Johnson's.

Q. Now, sir, if you will answer my question, I shall be very glad to hear any additional explanation you may have to make?—A. I will say I do not know about Johnson's charges. I do not think I ever saw Johnson's bills.

Q. Let us subtract the whole of the time that Mr. Johnson held the general-order stores from your former statement. You have testified that from May, 1864, to May, 1867, the charges of that time were in excess of Leet & Co.'s present charges.—A. Yes, sir.

Q. Now I understand you that you subtract from that statement the entire period that Mr. Johnson held it?—A. Mr. Johnson did not have all of it. There were other general-order stores besides his.

Q. Do you know what his charges for general order were while he held it?—A. I do not know anything about Mr. Johnson's charges; I know about the other stores that had the general order.

Q. Who were the others—you say that Mr. Johnson at no time held the general-order business of the city proper?—A. No; if he did it was not in his own name; he might have held it; but it was not in his own name.

Q. Do you know that he did not control the general-order business of the city of New York proper at any time in the years 1866 or 1867?—A. Not in his own name he did not.

Q. Do you say that he did or did not?—A. I do not know that he did; they said Leet had it, but Mr. Bixby's name was used.

Q. I was going to ask you on that directly. I was asking you about Mr. Johnson.

By Mr. STEWART:

Q. You say the reason why you cannot tell whether he controlled the whole of it is the reason that you do not know whether he controlled it in somebody else's name. Was there any establishment controlled in somebody else's name?—A. Yes, sir.

By Mr. BAYARD:

Q. Now, I will return to my question, if Senator Stewart has no objection. Do you know whether Mr. Johnson, at any time, had control of the general-order business of the city of New York proper?—A. I cannot tell what Mr. Bixby's arrangement was. He had a part of it while Mr. Johnson had, but whether he got his from Mr. Johnson or not I do not know.

Q. You certainly can answer my question, and then I will ask you another.—A. I do not know that Mr. Johnson had it.

Q. Do you know anything about whether he had it or not?—A. I have no way of telling.

Q. You have no knowledge on that subject?—A. No, sir.

Q. Then, if you have no knowledge on that subject, how can you tell us what the rates of general-order charges were during the period of time embraced in the period for which he had held it?—A. Because I saw bills charged by Edward Teathins & Co. and by the other houses that I saw.

Q. I am asking you for the knowledge which enables you to speak on this subject, and you have already disclaimed the knowledge which is necessary for you to have for making your statement. Now, you can make any explanation you choose.—A. I have seen bills made out from those dates I have mentioned, and the charges were just the same, only more than they are now.

Q. Do you know that during the time that Edward C. Johnson or E. C. Johnson had the control of the general-order business of New York, whether in his own name or other people's, that the average charge was not more than \$1 a package?—A. It has been more than \$1 a package since these dates, no matter who held it.

Q. You say that the charge was not as low as \$1 a package at any time he held the control of the business?—A. Not without a special agreement being made.

Q. You say you always paid the carman by the load, not by the package?—A. Yes, sir.

Q. There is a fact that I wish to get from you. You stated that the whole matter of charges by general-order warehousemen was within the power of the controller of the port?—A. Yes, sir.

Q. That is so?—Yes, sir; the general order.

Q. Could a system of unreasonable charges for the general-order business exist without his consent and approval?—A. Of unreasonable charges?

Q. Yes, sir.—A. No, sir.

Q. It cannot?—A. No, sir.

Q. You have stated as a reason why charges should be higher in the general-order stores, that you were obliged to break out special packages, and you instanced packages of brandy which might be found in the center of a tier. Do you now say that the same invoice of brandy would not be liable to the same special demands of its owner if it were in a bonded warehouse?—A. Well, they have always sent up the numbers; we have always sent down the numbers as they lay in the tiers, and they have permitted them according to their numbers.

Q. Have you been in the warehouse business a long time, and also in the general-order business, and you are familiar with the subject you are speaking of; I ask you whether the same difficulties would not exist in the bonded warehouse in the demand of a merchant for special casks of brandy, as you allege exist in the general-order warehouse, and would therefore be a cause of increased expense to them?—A. It would if they did not have the numbers sent to them which were going to be permitted first.

Q. Would, or would not, the same cause exist in the one case as in the other?—A. I do not think they would.

Q. You say they would not?—A. I think not.

Q. Do you say that upon your experience as a warehouseman?—A. Yes, sir.

Q. I now ask you whether such cases of difficulty affecting a particular cask of brandy that may be underneath other casks in the center of a tier are not necessarily more frequent in bonded warehouses than in general-order warehouses?—A. O, I presume they are, because in the general-order stores they may remove the whole lot at once, and in a bonded warehouse he will take out a few at a time.

Q. Let me ask you whether the goods that go to the general-order stores are not unclaimed goods?—A. Yes, sir.

Q. Are not the goods that go into bonded warehouses goods for which permits have been received in order to store them in a bonded warehouse?—A. Yes, sir.

Q. Does not the merchant sell more in a bonded warehouse than in a general-order store?—A. He may.

Q. He may?—A. Yes, sir.

Q. Answer me, if you please, on that subject. Do not you know that his sales are made in nineteen cases out of twenty, and in a greater proportion than that even, from the bonded warehouse, and not from the general-order store?—A. I do not know that they are.

Q. You do not know that they are; that is your statement now, that merchants sell their brandies more often while in general-order store than in bonded warehouse?—A. No, sir; I did not say that; I do not think they do; I do not think they sell more brandy out of a general-order store than a bonded warehouse.

Q. Do you mean that they sell special casks of brandy while there any more than when they are bonded?—A. No, sir.

Q. Then you say that they sell special casks of brandy more frequently than they do unclaimed goods?—A. If they do more business. Yes, sir.

Q. Then is there any additional trouble of breaking them out than the expense caused by doing so?—A. They know in a bonded store what casks they are going to take out probably the day before.

Q. Would the knowledge of a day enable a man to take down an entire tier and pick out a cask?—A. Yes, sir.

Q. That is the common course of business of merchants. Does it involve more expense, whether the breaking out occurs in one day than the next day?—A. Yes, sir. I can explain it: the gangway that the cask would lie in, if we knew it was going out, we would not block up with with other goods; if we did not know it we would fill the gangway up with wool, for instance, which would have to be broken out.

Q. Your statement originally was that the great expense and difficulty was in breaking a single cask out of a long tier?—A. Yes, sir.

Mr. CASSERLY. I also understood the witness to say that one cause of the expense

of general order is, that the goods, as soon as possible, have to be stowed in tiers upon open gangways so as to get them out with greater facility. [To the witness.] Is not that so?—A. Yes, sir.

By Mr. PRATT:

Q. I wish to ask you this: when goods are sent to the bonded warehouse you always know who is the owner, I suppose, do not you?—A. As a general thing we do.

Q. So that they will be all tiered up together?—A. Those goods are put together if the warehouse is conducted properly.

Q. When goods are sent to the general-order store, do you know who the owner is?—A. No, sir.

Q. In such a case as that, would not goods belonging to the same merchant be scattered on different floors and put up in different tiers, so that there may be great difficulty in ascertaining their location and delivery made—would that be the case or not?—A. It would be the case, with the exception of one or two merchants whose marks we know; with small merchants it would be the case.

By Mr. BAYARD:

Q. Would it be the case in the instance you gave of an invoice of a hundred casks of brandy?—A. They always go in the cellar; there is one place for liquors.

Q. They are not subject to the same trouble that other goods are?—A. No, sir.

Q. They are kept by themselves?—A. Yes, sir.

Q. Are not goods received and discharged very rapidly in general-order stores? Don't permits usually come in very soon for the goods after they have been received by you in general-order warehouses?—A. I suppose about one-half of them go out inside of a month.

Q. Do not the great majority go out much sooner than that?—A. They commence to go out just as soon as they commence to come in, some of them; in about the expiration of two weeks one half of the cargo will be out.

Q. Is there not a continual current of goods going out and coming in the whole time?—A. I have seen them come in at one door and go out at another. I have seen the permit there before the goods were; then all we have to do was to lay them on the stoop and let the carman put them on the truck.

Q. Then, in point of fact, there is a frequent and rapid revolution of these processes of delivery and receipt?—A. At times there is.

Q. Is it not a result from that that the space of store-room required for the storage of goods is very much lessened by this continual receipt and rapid delivery?—A. No, sir; I cannot say that.

Q. Suppose all the goods that come there stay a long time, and then a succession of other goods come, would not you require a great deal more store-room than where they come in at one door and go out at the other?—A. They do not all go out in that way, and a little left from each steamer will soon fill the first floor, and then we must remove them.

Q. Suppose you had to keep all the goods in that store one month—all that you received—could you pretend to receive all the goods you do if you had to hold them all one month?—A. If we could not we could get another store.

Q. Then you would have to get other stores?—A. Yes, sir; if we could not hold the goods; I do not know what goods would go, so I cannot tell positively.

Q. We know all the general-order goods received in New York go into your two stores; is not that so?—A. No, sir.

Q. Well, on the North River side?—A. Yes, sir.

Q. You are very precise, sir, and probably it is right you should be so.—A. We have never yet had to refuse any goods on account of not having room for them.

Q. I am asking you whether, if all the goods had remained in the store one full month, you could conduct your business in the stores you have got?—A. I think that I could have. Yes, sir.

Q. You think that those two stores will hold all the general-order goods that come into New York for one month, to stay there without any delivery until the end of that time?—A. I do not think they would have held them during the month of August; there might be times they would not; there might have been some months that the two stores would not have held all the goods, provided they all went into general order.

Q. How long could you do business with the space you have got there, if every package you received had to remain the entire month in your store?—A. I think we could continue right along, at the rate they are coming in now, forever.

Q. Well, sir, you mean by *now* for this immediate period?—A. Yes, sir.

Q. Let us take the year 1871. Tell us how long during that year you could have gone on with this present space you have got, if all the goods you received had to remain there one month?—A. We could have kept right along.

Q. And do the whole of that in these two stores?—A. I think they could. The only trouble would be in getting over the first number before they would commence to

move the goods, but as soon as they commenced to move we could continue filling up again the empty space.

Q. I will ask you if in the first month your store would be filled to its very roof, and you couldn't receive another package from the glut?—A. Not with general-order goods. I don't think it would.

Q. It seems you have other goods besides general-order goods; you take warehouse goods, which pays you \$20,000?—A. I think it is \$12,000.

Q. I will ask you again whether the same space of store-room, all being occupied by a repeated succession of goods received and delivered, would not suffice, when, if the goods were kept there even for a month, it wouldn't answer at all, and you would require a great deal more store-room.—A. It would depend entirely upon the number of packages that were going under the general-order at that time whether we would have room or not in our store. I have seen the time that if every package was going on general order the stores would not have held them, if they were held there a whole month.

Q. Then, frequently, your stores could not have contained the goods brought for general order, if you were obliged to hold them a month?—A. Yes, sir; there have been times.

Q. Then your stores would not have held the general-order goods if obliged to hold them a month?—A. I can't swear positively to that.

Q. Do you say it is so or not so?—A. I don't know.

Q. Your sixteen years of experience, and the superintendence of those two stores, will not permit you to answer a question like that?—A. I can't tell without my books.

Q. You have been in the actual, personal superintendence of this business, seeing the goods coming in and going out, and people to understand the business. I ask you now whether, since you have been there, there has been any month in which, if all the goods had been compelled to remain a month on storage there, the store would have held all the general-order goods presented at your doors?—A. There have been months that they wouldn't have held them. I stated that before.

Q. If that be the case, why is it that when you have so much more storage, when stored under the general-order than in a bonded warehouse, you will charge so much more for storage?—A. We have to take all sorts of packages. We don't know where we can make our room; sometimes it is on the first floor and sometimes it is on the garret. In breaking out the goods the tiers are broken down. If we turn out twenty cases we may have to break down twenty tiers, and every one of the tiers has to be tiered up again by the men.

Q. You are giving new reasons, and for a different thing. The matter you have spoken of is for additional labor?—A. Yes, sir.

Q. You have stated here now that there are times in this business when, if you had been compelled to hold the general-order goods for a month, the stores could not have contained them?—A. Yes, sir.

Q. I ask you now, if that be the case, and you are enabled, under your system, to place your charge of storage upon more goods than your store would hold for a month, why is it that your charge for storage should not be less instead of greater?—A. On account of labor.

Q. But the labor is one charge and the storage is another. Why should not your storage charge be less, if a less space is required to do all the storage?—A. You want to get at the expense; why the business is more expensive?

Q. I want an answer to my question.—A. It is on account of the labor.

Q. Then, do you say that the storage might be less in the general order, because they could take more goods than a bonded warehouse within the same period, and place the charge of storage upon it, but that the labor would be more? Is that your answer, or will you give me one?—A. There has to be a certain place kept for those goods, which hasn't to be done in bonded store.

Q. My questions have been put to you; you have answered, heretofore, not to me particularly, but to the gentleman who first examined you, with rapidity and volubility, and now, when I come to question you in regard to the matter, I think, equally distinct and plain, you will permit me to say that you have been very slow in answering me.—A. I wish to give all the information in my power, and I don't wish to keep anything back at all. I may not have understood your questions.

By Mr. CASSERLY:

Q. Do I understand you that at times it happens that at the time the general-order goods are entering your receiving door, a permit is presented?—A. Yes, sir.

Q. What is done in that case?—A. When the permit is presented, we deliver the goods as soon as we get them.

Q. I don't think you understood my question.—A. We deliver the goods as soon as we get them.

Q. I understood you to say that at times it happens that as general-order goods are entering your receiving door, a permit for them is presented. What do you do in that case?—A. We deliver them, if the permit is correct.

Q. What charges do you make upon them, sir?—A. The same as though they had been there a month. We are entitled to it.

By Mr. BAYARD :

Q. Though they have never been in the store at all?—A. They always come in.

Q. They don't take up much room?—A. That is one of the cases where they come in at one door and come out at another.

By Mr. CASSERLY :

Q. I understood you to say at first that the difference in charges in general-order stores and in bonded warehouses was caused by the difference of labor in the general-order?—A. Yes, sir; it is handled oftener.

Q. That is one reason?—A. Yes, sir.

Q. And that difference is caused by their being handled oftener. Is there any other reason in regard to labor?—A. In regard to the labor being more?

Q. In regard to the greater cost of labor, is there any other reason why the labor should cost more, more than that they are handled oftener?—A. I should think not.

Q. What do you mean by their being handled oftener in general-order stores than in bonded warehouses?—A. In general-order stores the stores are kept tiered up all the time. A permit may come for cases that are in different tiers, and the tiers would have to be broken down, and tiered right up again. If a permit comes in a bonded warehouse, in eight or ten cases, they would generally know a merchant's case—they would generally break down one tier, and all their goods would be there.

Q. Is that the only reason why labor should cost more in one store than another?—A. Another reason is, we receive one thousand chests of tea, and they are tiered up into tiers, and we receive an order to turn out twenty-five or fifty chests of a certain brand, and we have to overhaul the one thousand chests to find them. In a bonded store, they would send the chop list, and the tea would be tiered away, each chop by itself. When the permit comes, they would be found, without overhauling all the other tea.

Q. Do you store much tea?—A. We have had our West street store filled with tea.

Q. Do you mean to say that literally?—A. I mean the west end of the store.

Q. Which is the bonded-warehouse end of your store?—A. It don't make any difference; it is only the name; there is no distinction, only in the name.

Q. What do you do with the other goods of the general order, if all that part of the warehouse that you have mentioned was filled with tea?—A. Put the rest of the goods in the other parts of the store, which were not filled.

Q. Then less labor is required in getting out the packages that are ordered in the bonded warehouse than the general-order stores?—A. I should think so. Yes, sir.

Q. I understood you to say that all the principal houses had known marks which enable you in general-order to put A. T. Stewart's goods, Arnold & Constable's, Lord & Taylor's, and Benkard & Hutton's, &c., in separate places; is that true?—A. I didn't mention those.

Q. You mentioned some of them?—A. Claflin & Stewart's are the goods that we know the marks of principally.

Q. Didn't you mention some other house?—A. I said we knew Lord & Taylor's by L. T., but there may be some other merchants who have that mark.

Q. Didn't you mention some other houses?—A. Yes, sir.

Q. Haven't Arnold & Constable got a mark?—A. Yes, sir; A. C. C., and other marks.

Q. Isn't it true, as a rule, that the chief houses have marks which enable you to classify their goods in storing them?—A. Those do that I have mentioned.

Q. Whenever you are required, then, to break out a package belonging to one of those houses, you get it just as easily in a general-order store as in a bonded warehouse?—A. Yes, sir.

FIFTH AVENUE HOTEL, NEW YORK, *January 26, 1872.*

BENJAMIN F. MUDGETT, being recalled, testified as follows :

By Mr. CASSERLY :

Question. You know Mr. G. K. Leet?—Answer. I have met him once or twice. I know him.

Q. You knew him during the period while he was holding the general-order business—Leet & Stocking?—A. Yes, sir.

Q. Also during the period while he held the interest with Mr. Bixby?—A. Yes, sir; the first knowledge I had of Colonel Leet, and knew of his being there—the first introduction I had to Colonel Leet, was at Cater's Hotel, in Clairmont.

Q. Where is Clairmont?—A. Up on the North River, just above Central Park.

Q. It is a place of resort?—A. Yes, sir; it was a few days after I had the conversation with General Porter.

Q. At which General Cochrane was present with you?—A. Yes, sir.

Q. And as to which conversation you have testified?—A. Yes, sir.

By Mr. BAYARD :

Q. Didn't General Porter tell you he didn't know Mr. Lindsay?—A. Yes, sir.

By Mr. CASSERLY :

Q. Do you remember a letter written by Mr. Boutwell to Mr. Grinnell, in regard to the restoration of the general-order business to the Jersey City stores?—A. A few days before this, when I was in Washington, I was in the office of the Secretary of the Treasury at the time, I heard him announce in my presence and that of Mr. Cornell, who was attorney for Mr. Schwab, that he had told him the substance of the letter that was to go to the collector that evening, requesting the restoration of the general-order store to Jersey City and Hoboken. At Clairmont I met Mr. Leet, and was there introduced to him by Mr. Boyd.

Q. How long was that afterward?—A. A few days afterward. Colonel Leet then told me that he was expecting to receive from the Secretary of the Treasury the contract that I then had, and which was about to expire.

Q. What was that?—A. The labor contract for the public stores. I told Colonel Leet that if he could afford to do it cheaper than others I presumed he could get it; but the Secretary of the Treasury is disposed to manage these matters according to his own views. Then I related to him that he was about to destroy one little monopoly that was very annoying to the merchants of New York, and that was the general-order system; that it was going to be restored. He made the remark, said he, "I have a man that can put his hand on Mr. Boutwell's shoulder."

By Mr. BAYARD

Q. The question asked him during his former examination is this: "Do you remember the time or times when Mr. Boutwell, it was understood, had written a letter to Mr. Grinnell, and subsequently to Mr. Murphy, in favor of the restoration of the general-order system, as it was upon the Jersey City side; do you remember that period?" and he answered, "I remember the time it was done. I had no knowledge of those letters, except through other parties." Then followed these questions and answers: "Q. It is not a disputed fact that there were such letters?—A. No; I believe there were. Q. Do you remember saying anything as to an influence that you knew of that could control that matter in spite of Mr. Boutwell?—A. No, sir. Q. Do you remember saying that you knew a man, or had a man, that could put his hand on Mr. Boutwell, and stop all that?—A. No. Q. Do you say you didn't say that?—A. I do say so. Q. You are quite clear about that?—A. Yes, sir. Q. Now, I take it for granted you mean that in the substance of your language, and that you don't make any distinction as to the form of words used, whether the language was, 'I have a man who will put his hand on Mr. Boutwell, or Mr. Boutwell's shoulder, and stop all that.'—A. I never said anything of the sort. Q. You never spoke of an influence too great for Mr. Boutwell's interposition?—A. No, sir. Q. Or of a power that would control that matter without reference to him?—A. No."

I understand you to say that you had a conversation with this gentleman?—A. And stated the statement I have made to you. He said he had a man that could put his hand on Mr. Boutwell's shoulder. I don't remember his saying that he could stop all that.

By Mr. CASSERLY :

Q. As I understand you, the conversation was in regard to the interposition of the Secretary to restore the general-order business as it was on the Jersey side?—A. That was what I had referred to, as to Mr. Boutwell's letter. I had referred to that in this conversation.

Q. Was anything else said at that time, between you and Mr. Leet, on that subject?—A. Nothing particularly on that subject. That was a short conversation. He told me that he was going to receive the contract to do the public-store work that I was then doing, and which was about to expire.

Q. And thus the conversation came about?—A. Yes, sir.

Q. Is there anything else you wish to state on this subject?—A. I saw an article in the New York Times yesterday, which undertook to give the interview between myself and General Porter, which was entirely false in every respect. I had no interview with General Porter, only the one at which General Cochrane was present; and the day before yesterday, John Russell Young, who is the editor of the Standard, in this city, informed me that General Grant had said to him that I had stated at Willard's Hotel, in Washington, that I knew of a draft of \$35,000 having been sent to General Porter from people in this city.

Q. What is that about the draft?—A. Sent to General Porter from men having the

general order in this city; and that it was to be divided between him and the President, and that General Porter had sent for me immediately after hearing that report; and that I had apologized and denied making this statement.

Q. Who told you that?—A. John Russell Young, of the Standard. I heard that Young had made such a statement, and I met him in the presence of the gentleman who told me he had made the statement. I had heard that Young had made such a statement, and I asked him, in the presence of the gentleman who informed me that Young had told him that the President had informed him, if it was true, and he said it was, and gave him this statement as I have given it here. All I can say is that I never heard of such an affair until I heard it from the gentleman to whom John Russell Young had reported it to. If General Porter did actually make such a statement, it is entirely false.

Q. The Standard, I believe, is an earnest and influential supporter of Grant, isn't it?—A. I presume it is.

By Mr. STEWART:

Q. You referred to an article in Times; is that the article? [handing paper to witness.]—A. I presume it is; yes, sir.

Q. You stated that the article was false?—A. The article in relation to the conversation I spoke of, between myself and General Porter, as given, is false.

Q. You don't mean to pronounce the whole article as false?—A. Not entirely. There is some foundation for it. I had a lawsuit once that they refer to. I consider the article in the Times as scandalous, abusive, and libelous. The article is false when it says that when I had the conversation with General Porter was while I had the contract; that it hadn't expired and a new one hadn't been assigned to any one when I had this conversation with General Porter.

Q. This article stated that you were deputy collector in 1861?—A. I was appointed deputy collector in 1862.

Q. How long did you remain deputy collector?—A. Until April, 1867.

Q. You staid until April, 1867?—A. Yes, sir.

Q. What department did you have charge of?—A. I had charge of the fifth division. I had charge of the entry clerks, &c., and the assessment of duties.

Q. What did you do after this?—A. I, with a gentleman by the name of Jackson, took a contract with the Secretary of the Treasury to perform the labor at the public stores at \$90,000 a year.

Q. Who was that contract made with?—A. We made it with the Treasury Department. I think the contract itself was made with H. A. Smythe.

Q. Who was Secretary of the Treasury at that time?—A. Hugh McCulloch.

Q. The contract was made with Mr. Smythe at \$78,000 a year?—A. Yes, sir.

Q. That was the contract which was about to expire at the time you had the conversation with Colonel Leet?—A. Yes, sir.

Q. Colonel Leet said he was going to try to get the contract?—A. He expected to get it.

Q. Was the contract advertised when you first got it?—A. The cost for doing that work the first year previous and for several years had been about \$78,000 for the public stores. Mr. Jackson and myself looked it over, and we thought we could do it at about half that price, and we sent a written offer to the Secretary to that effect. We referred it to Mr. Guthrie, who was then agent of the Treasury Department, and Mr. Guthrie came to New York and examined the subject, and advised me that we couldn't do it; he didn't believe it was possible that we could do it for that amount of money. After some time, by requiring us to give bond to perform the contract under a penalty of a considerable amount, he gave us the contract, and we performed it.

By Mr. CASSERLY:

Q. At \$91,000?—A. Yes, sir.

By Mr. STEWART:

Q. When that was about to expire you tried to get the contract?—A. I sent an application to the Secretary of the Treasury for it.

Q. How did Mr. Boutwell, the Secretary of the Treasury, dispose of that business—by private contract?—A. He asked every applicant to state, in writing, how cheap he would do the work.

Q. Did he advertise for the lowest bidder?—A. I don't think he advertised; I know he didn't. He sent a circular to every one who had put in an offer to do the work, as he told me so himself.

Q. That he would let the man have it who would do it the cheapest?—A. Yes, sir. I offered to do it for \$85,000, I believe. Another party offered to do it for \$75,000, and it was assigned to them.

Q. Twenty thousand dollars cheaper than you did it the year before?—A. Yes, sir.

Q. Colonel Leet told you he was going to try to get it then?—A. He told me what I told you—he expected to have it.

Q. He didn't get it, did he?—A. No, sir.

Q. He wasn't able to control the Secretary in that matter?—A. No; I don't think so.

Q. But when you alluded to the general order he said that he had a man who could put his hand on his shoulder?—A. He alluded to the whole subject. We were talking on the whole subject. I stated, I believe, that Mr. Boutwell would control these matters himself, because he had set about to do this thing that I had named—that he had written a letter to Mr. Grinnell to restore the stores to Hoboken and Jersey City.

Q. Did Colonel Leet put in a bid for this business?—A. I understood so; I only heard so; I never talked with him since.

Q. You think you would have got it if you had been the lowest bidder?—A. Certainly; I have no doubt I should, if I had been the lowest bidder.

Q. Then there was nothing unfair about the administration of that contract?—A. No, sir; it was perfectly right and proper.

Q. Have you ever complained of it?—A. No, sir; never complained of it at all.

Q. You say you had a conversation with John Russell Young?—A. Yes, sir.

Q. In which he said that the President told him that you said that a draft of \$35,000 had been sent from the men having the general-order business, to be divided between him and General Porter?—A. Yes, sir.

Q. And you say you never used any such language?—A. Never heard or dreamed of such a thing, until I heard it coming from that source.

Q. You say that General Porter told you that he didn't know Mr. Lindsay?—A. Yes, sir; he said that he had no acquaintance with him; he said he might have been about the White House, and he might have seen him, but he had no acquaintance with him.

Q. Did you see the President at that time you went up there?—A. No, sir.

Q. Did you want to see him?—A. No, sir; I had no occasion to see him. I didn't go there to see the President. I went there to see General Porter, by appointment.

Q. Nobody asked you to see the President?—A. No, sir.

Q. Who was present at that conversation?—A. Myself, General John Cochrane, of this city, and General Porter.

Q. Who asked you to go there?—A. General Cochrane came to me, as I stated before, on Sunday, and said that General Porter felt hurt at my making a remark that I knew he was interested in the jobs about the New York custom-house.

Q. Did you make that remark?—A. I did.

Q. That he was mixed up in the jobs about the custom-house?—I did, and I believed it too, and I believe it still.

Q. You stated that to General Porter?—A. Yes, sir; I stated it to him. General Porter commenced the conversation that he understood that I said that I knew personally that he was engaged in jobs in the New York custom-house. I told the general "I didn't say that I knew personally that you were engaged in these matters, but I said that I believed so, and I believe so still," and gave him my reasons for it on that occasion.

Q. You didn't pretend to know it personally?—A. No, sir; I didn't any more than I knew the circumstances connected with the case, which have made me believe it most decidedly.

Q. You stated the circumstances here?—A. Yes, sir; most of them, I think.

By Mr. CASSERLY:

Q. What case are you referring to now?—A. General Porter's connection with what I believe to be in relation to the general-order business.

Q. It is only on the circumstances that you stated that you founded that belief, and you still believe it?—A. Yes, sir.

Q. And you told him so?—A. And I told him so.

Q. He denied it?—A. And he denied that he was, and stated his reason, which I have stated, for denying it. He said he didn't know this man Lindsay at all, and had no connection with him. He said that the President had written to Mr. Grinnell to aid Leet, and that Mr. Grinnell had responded that he had given the general-order business to Mr. Bixby and others for public reasons, and that he could do nothing for Colonel Leet, and he would give his word, as a gentleman, that neither General Babcock nor himself had any connection whatever with the general-order business about the New York custom-house.

Q. What time did this conversation take place?—A. I think it was the last of May—somewhere about that.

Q. What year?—A. The spring of 1870.

Q. At that time he said Colonel Leet had no interest in it?—A. Yes, sir; and Colonel Leet himself, on this occasion at Clairmount, told me he had no interest in the general-order business whatever. He told, as a circumstance, that he had just drawn his salary as an officer and sent it to his wife, and that was all the means he had to live upon.

Q. What means have you to know that General Porter at that time knew that Colonel Leet had this arrangement with Mr. Bixby?—A. I don't know only the circumstances of the case. The fact that I was well informed that he was here at the time

this thing was arranged; that he had his headquarters at Mr. Lindsay's office on John street; that General Hillyer told me the other day that he asked General Porter to make his office his headquarters, but he told him that his friend, Mr. Lindsay, had offered him his office on John street, and he made his headquarters there. This was a year before this time.

Q. This was in May or June, 1870?—A. Yes, sir.

Q. Do you know whether this was or was not before the appointment of Colonel Leet to the general-order business?—A. It was before he had taken possession. It was while, as I understand, he was drawing the \$5,000, &c., from Mr. Bixby.

Q. While he was drawing the \$5,000 from Mr. Bixby?—A. Yes, sir.

Q. Did you know at that time he was drawing the \$5,000?—A. I knew he was having something; I knew as well as I knew anything in the atmosphere that he was drawing something. After Bixby was turned out, I saw Mr. Bixby, and he told me.

Q. Did you know he was drawing this particular \$5,000?—A. No, sir; I didn't know the amount.

Q. How did you know he was getting something?—A. Well, I knew it the same as I thought I knew General Porter was in it, and because everybody about the custom-house seemed to understand it, and after Bixby was relieved, I asked Bixby what the facts were, and I told him I was certain that he had paid this gentleman something for the privilege he had had for the past year. He told me it was true that he had, and if I would go to the office with him, he would show me the checks which he paid. He told me the contract just as it has been stated here.

Q. You knew that General Porter was in that?—A. Well, I knew it—I supposed it—the same as I supposed the others were, from the fact that people told me so, who were acquainted with the affairs of the custom-house.

Q. Who said that General Porter knew of that transaction?—A. The first time I heard of the general order being given to Mr. Bixby, &c., I learned it in Mr. James H. Taylor's office. It was from him or from Mr. Mattison—I think it was O. B. Mattison. He had been trying to get the general-order business for James Richmond, of this city, and he said he had been unable to get it for Richmond because Mr. Grinnell had been compelled to give this general-order business to Messrs. Porter, Leet, and Lindsay. That is the way he stated it, and they had underlet it to Bixby and others.

Q. You got your information from O. B. Mattison?—A. It was either Mattison or Taylor; they were both interested in getting this business for Richmond. It was one or other of them. Mr. Mattison was present, and I think it was him. It was either him or Taylor. I told you what he said about it; that it was given to Porter, Leet & Lindsay, as I understand it.

Q. As you understand it?—A. Yes, sir. Mr. Mattison lives in Utica, and Mr. Taylor is dead. I got that information there; I got it from numerous sources about the custom-house.

Q. Whom else did you hear it from, that General Porter was interested?—A. I can't speak of all the particulars. I heard his name mentioned. It was common talk at that time.

Q. Whom else did you hear say that General Porter was interested in it, beside O. B. Mattison, who is now living?—A. I can't be positive who. I have talked with a good many people about it. I talked with Mr. Williams, who was a deputy collector at the time. He told me about General Porter being present frequently when this matter was—

Q. What is Williams's first name?—A. Henry M. Williams. He lives in this city. He was deputy collector under Mr. Grinnell.

Q. Is he in office now?—A. No, sir.

Q. What did Mr. Williams say?—A. I don't remember the conversation; only I say the information I had about it—the impressions I got were general. I say it was a common talk.

Q. Well, I want to know what Mr. Williams said?—A. I won't pretend to say what he said; only I had a conversation with him, and he said Mr. Grinnell, as he understood it, felt compelled to give out this general-order business.

Q. He stated it as he understood it?—A. That is the way I understand it; yes, sir. There was an article published in the paper, stating the performance of these men at the time, calling General Porter's name in question in relation to these jobs in the New York custom-house.

Q. What date was that?—A. Well, it was some time after Mr. Grinnell came into office.

Q. Then what you saw in the New York Sun, and what you heard from Mr. Williams, and your conversation with O. B. Mattison—A. [Interrupting.] And my own judgment of what I heard of the circumstances of the case.

Q. Can you learn a fact by judgment?—A. Yes, sir—my judgment of the actions and motives of men.

Q. Then you think your judgment is better than the sworn statement of General Porter?—A. No, sir; I don't. I have nothing to say about that.

Q. If General Porter swears he didn't know anything about this, will you say you believe as you do now?—A. I don't want to be put on oath on that. I don't want to say what I believe on that. If you urge me to tell you I can tell you.

Q. I would like you to do so.—A. I wouldn't believe it.

Q. You wouldn't believe him under oath if he said he didn't know anything about it?—A. Yes, sir; if he said that.

Q. That he didn't know anything about it before it came out, during the time it was being done?—A. Yes, sir; if he said so I wouldn't believe it.

Q. Why wouldn't you believe it?—A. Because he stated something about the matter that I have reason to believe was untrue at the time. He said he didn't know Mr. Lindsay, when I am satisfied he did know him very well, and that he had a long acquaintance with him.

Q. Is that the reason you wouldn't believe General Porter under oath, because he said he didn't know Mr. Lindsay?—A. Well, I say that the fact that he misstated that, when there was no occasion for it—if he was all straight and clear in this matter, he had no occasion to say he did not know Mr. Lindsay, in my judgment. It was a useless denial, and the fact of denying that circumstance was a very strong circumstance in my mind that there was something wrong with him in relation to the matter.

Q. You spoke of this article in the Times. What particular part of it do you say is false?—A. I denounce the whole of it as scurrilous and malignant.

Q. I see it charges that you were appointed assistant appraiser before the removal of General Palmer. Do you know anything about that?—A. Only what that same paper states. Mr. Boutwell sent me an appointment as assistant appraiser. General Palmer was removed immediately afterward. I heard long before that that he was going to be removed; at any rate he was removed immediately afterward. A New York correspondent from Washington stated that General Palmer was removed because I was appointed, and that I was an opponent to the administration. I sat down immediately on reading the article and wrote to Mr. Boutwell a letter, nearly in these words, "While I was greatly obliged to him for his compliment in appointing me assistant appraiser, I was very sorry to know that it had been the cause of the removal of so efficient and capable an officer as General Palmer." Instead of being an opponent of the administration, I had never been, but had always done what I could for the support of it, and of General Grant. I had been opposed to a set of adventurers who came to this city immediately after the inauguration of General Grant, selling privileges, &c., and disgracing the administration, never believing before that the President indorsed them; but, from the fact stated in the Times, I was compelled to believe that he did indorse them, and therefore tendered my resignation.

Q. You never had said anything against the President?—A. No, sir; never.

Q. You had never said a word against the President until the time you stated?—A. No, sir. I was informed that the President went to the Secretary immediately upon my appointment, and said to him that he had appointed an enemy of his, and rehearsed this John Russell Young story that General Porter had told him.

By Mr. CASSERLY:

Q. What was that?—A. That I had said in a public place that a draft had been sent to Washington for \$35,000, which was divided between them.

Q. I understand you to say that that is wholly untrue?—A. Wholly untrue? of course it is.

Q. You never said anything of the kind?—A. No, sir.

By Mr. STEWART:

Q. You never made any remark against the President at all, before this article came out in the Times?—A. No, sir, never made any remarks against the President; that remark was that I was bound to believe that he was sustaining these men here in their exactions upon the commerce of this city.

Q. At the time you went up to see General Porter, you made no remark then against the President?—A. No, sir.

Q. Your remarks had been exclusively to General Porter?—A. I never had said anything against the administration; I had simply made the remark that I believed General Porter was engaged in these jobs.

By Mr. CASSERLY:

Q. You don't consider General Porter the administration?—A. No, sir.

By Mr. STEWART:

Q. Do you know Le Grand B. Cannon, of this city?—A. Yes, sir.

Q. How long?—A. For fifteen years.

Q. Didn't you tell that story about the \$35,000 draft to him?—A. No, sir.

Q. Never had any conversation with him about it?—A. Yes, sir.

Q. When?—A. I told Le Grand B. Cannon, in the Union League Club, of my inter-

view with General Porter and with General Cochrane, and that General Porter was interested in this general-order business, just as I have stated it here, and no other way.

Q. You didn't tell him anything about the \$35,000 draft?—A. No, sir.

Q. What time was that that you had the conversation with Le Grand B. Cannon?—

A. It was about a year ago, or more, I think.

Q. The first you knew of the \$35,000 transaction was from John Russell Young, day before yesterday?—A. Yes, sir—O, no; I had heard of this story coming from John Russell Young some two or three months ago, perhaps longer. John Russell Young came along the day before yesterday, and this gentleman and I were in conversation, and I called him up and asked him the question.

By Mr. CASSERLY:

Q. Your informant?—A. Yes, sir; my informant.

By Mr. STEWART:

Q. You resigned the office of assistant appraiser?—A. I resigned it; just as I told you.

Q. The reason you resigned was that you would not hold an office under such an administration?—A. No, I wouldn't hold the office because it was offensive; because the administration felt that I was its opponent. I didn't want the office. I wasn't a seeker of the office.

Q. You had nothing but a newspaper article?—A. I had good reason to believe that the newspaper article was pretty nearly correct.

Q. Was it much evidence that Mr. Boutwell thought you were an opponent after he had appointed you?—A. I never was an opponent of Mr. Boutwell, or the administration either; I was an opponent of these transactions.

Q. Did Mr. Boutwell accept your resignation?—A. I heard nothing about it until Mr. Darling came into office; he sent me a note from the Secretary, saying, "After the reception of this note, your service of appraiser will be no longer required." It didn't allude to my resignation at all.

Q. How long did you act as appraiser?—A. I acted as appraiser while General Palmer remained, and left when he did.

By Mr. CASSERLY:

Q. State how long that was that you acted appraiser?—A. It was a very short time, only a week or two—two or three weeks—it wasn't a month.

By Mr. STEWART:

Q. The reason why you resigned, then, was that you wouldn't serve under this administration?—A. Well, I didn't care to, sir.

Q. And you couldn't have been prevailed upon to continue it under any circumstances?—A. Well, I don't think I could, sir.

Q. Why wouldn't you serve under this administration?—A. I don't know; if you want to know I will tell you one reason: because I hadn't much respect for it, if you want to know. That is my honest oath.

Q. That you wouldn't take an office from an administration you didn't respect?—A. No, sir; I don't think I would. My necessities don't require it.

Q. You held office all the time from 1862 to 1867?—A. Yes, sir, I did.

Q. You had no objection to the administration of 1867, I suppose?—A. Mr. McCulloch and myself were very good friends. The collector undertook to remove me once or twice, and some of his friends, but Mr. McCulloch wouldn't listen to it at all. I was perfectly willing; every gentleman who knows me knows that I was outspoken in political views all through that administration.

Q. Then you didn't have the highest respect for that administration?—A. I didn't have the highest respect for Mr. Johnson.

Q. Well, you have not the highest respect for Mr. Grant?—A. Well, I might have more admiration for some other man.

Q. You could serve under Johnson, but not under Grant?—A. I didn't feel that I served under Johnson; my appointment was from the collector, and I held it and did my duty.

Q. It was the office of deputy collector, was it?—A. No, sir.

Q. It has to be approved by the Secretary, hasn't it?—A. Yes, sir, originally. My appointment was approved by Mr. Chase.

Q. That is the only reason why you wouldn't hold the position?—A. I don't know that that is the only reason; one great reason was that I didn't want the office; General Palmer was very anxious for me to go there with him, and I certainly had no desire to remain there.

Q. I wish you would take that article now, since you have alluded to it. I wouldn't have brought it up myself. State in what regard you look upon it as false?—A. I have stated already, and I think it is impertinent, with all due respect to you. That article, I say, is written, and any gentleman could see that the tone and character of it

was made; it is malignant from beginning to end. I wrote them a respectful note, correcting an error they made the day before.

The CHAIRMAN: I beg leave to state to the witness that it is hardly proper for him to state that a Senator puts an impertinent question.

A. I have stated, I think, my views on that subject very fully all through.

By Mr. STEWART:

Q. I didn't object to that. You say, in my asking you to point out particularly what portions of the article you considered to be false—and I called your attention to this article, because you alluded to it voluntarily, and stated it was false—and I asked you about it particularly in what regard it was false. You stated to me that that was impertinent.—A. Well. I said I had stated very fully; you know the character of the article, and so do I. I said that a part of it was false. The part of it in relation to the interview with General Porter is false; and there is no truth in it, except that I had an interview. The statement of the conversation with General Porter is entirely false; there isn't a word of truth in it. That is what I say.

Q. Is there any other portion of it false?—A. It is false when it states that I had this interview, and that it was because I had lost the contract; I had the contracts. It hadn't been given out then. It is false in that respect.

Q. Is it false in any other respect?—A. That is about all there is of it, I believe. It is true that I once had a lawsuit on a note that I had to pay, which I never indorsed. I indorsed for a man a \$100 note, and he had the facility to go to the bank and turn up with a \$1,000 note; a man helped him. It was at a time when I wasn't in the habit of dealing in \$1,000 much. It is a good while ago, and I resisted it as best I could. I had it to pay. As far as that is concerned the article is true, but at the same time I say it is published in a manner that any lawyer would say is libelous. I say it is libelous, and is intended as such; it was intended as libelous, no doubt.

Q. Do you still mean to say that my question is disrespectful?—A. I did not mean to say anything disrespectful, and I will take back anything that has reference to that. I am perfectly willing that George Bliss shall ask me questions all day, and I will answer any question he may put to me.

By Mr. CASSERLY:

Q. I wish to have Mr. Mudgett explain why he refers to Colonel Bliss at this moment; what was the reason?—A. Because Colonel Bliss goes around here and prompts the Senator to ask me questions. I don't think the Senator would ask me impertinent questions, unless prompted.

By Mr. STEWART:

Q. I wasn't prompted by Colonel Bliss or any one else to ask you questions whether all portions of that article you regarded as false. I didn't read it at all, and didn't wish to allude to it, but I thought it would be just to you that you should pick out the portions of it which you regarded as false or whether you regarded the whole of it as false.—A. There is some foundation of truth in it.

Mr. CASSERLY. I say that the examination of this witness is a personal inquisition.

Mr. STEWART. It is not an inquisition, but I am simply trying to elicit facts.

Mr. CASSERLY. It is such a one as no witness has been subjected to before.

By Mr. STEWART:

Q. At the time you were in Washington, and the time you saw General Porter, how long were you there?—A. A few days; I don't remember.

Q. Where did you stop?—A. At the Arlington.

Q. Who was with you?—A. Nobody was with me; there were a good many people at the hotel.

Q. Nobody was there with you? What was your business on that occasion?—A. I had some interest at Washington. I owned a part of the Lady of the Lake, on the Potomac, that was running at the time. I couldn't have anything further in view, that the contract was about ready to expire.

Q. Had you learned then that Colonel Leet was a competitor of yours for the contract?—A. O, I knew that for a year past.

Q. You knew that he was a competitor of yours?—A. Yes, sir; I knew he was an applicant as well as a good many others.

Q. You didn't feel very friendly to him for interfering in that, did you?—A. I didn't feel any way about it particularly in that relation.

Q. When did you first know of this Lindsay matter?—A. Of what?

Q. This Lindsay and Bixby matter?—A. I knew about it as it happened right along. I was conversant with all the steps taken by the parties. I was conversant with Mr. Grinnell and talked with him frequently on the subject of his difficulties about it.

Q. What time did you learn that Colonel Leet wanted to get this contract that you had?—A. I learned it a year before it expired.

Q. Did you have many conversations with Colonel Leet about it?—A. I never had a conversation with him at all about it, except only on this one occasion.

Q. Where was this?—A. At Claremont Cater's Hotel. It is on the island here.

Q. Was that before or after you went to Washington?—A. After.

Q. Who, in Washington, did you first make this statement to in regard to General Porter?—A. I will tell you how that was made. We were in the reading-room or smoking-room of the hotel on Saturday evening, and there was quite a number of New York gentlemen there, who were a good deal excited about these affairs disgracing the administration. There was a good deal of feeling among the merchants; there was quite a number there; don't know whether Mr. Schwab was there; he was there about that time. There was a number of gentlemen having the same interest as he had; I don't remember who they were. Some one spoke of General Porter, that he was connected with this matter and holding it against the interests of the commerce of this town. A friend of General Porter, who was present, said that he didn't believe that he had anything to do with it. I remarked that I believed he did; that was why General Porter heard of that remark. General Cochrane called on me the next day and told me that General Porter felt hurt about it, and wanted me to see him.

Q. Who was the party that said he didn't believe it?—A. I don't remember the name of a single one. I hadn't thought of the fact until General Cochrane called on me the next day. General Cochrane was present at the time he told me this fact, what General Porter had told him, and he wanted me to have a conversation on the subject. He made an appointment, and I went accordingly.

Q. You can't tell who were present on that occasion except General Cochrane?—A. No, sir. I know there was quite a number.

Q. That was on Saturday evening?—A. Yes, sir.

Q. When did you go to General Porter?—A. Monday morning.

Q. You don't recollect anybody who was present at that time but General Cochrane?—A. No, sir.

Q. You recollect what was said?—A. No, sir.

Q. You said nothing about the President?—A. No, sir; the President's name wasn't alluded to in the matter.

Q. The President's name wasn't alluded to?—A. No, sir.

Q. When you got to General Porter's you didn't qualify this remark at all?—A. No, sir. I told him that I had believed it. He told me that he heard that I said I knew it, and I told him that I couldn't say that; that I didn't say I knew it, but that I believed it, and believed it still.

Q. Have you given now all the evidence upon which that belief is founded; I want all the evidence upon which the belief is founded; have you given it all, or is there anything more?—A. I have stated generally what my views of it were. I don't pretend to recollect every circumstance that came up for a year. I was about the custom-house, and knew the impression, thoughts, and views of most of the men who were connected with it, and I know that that was the general impression.

Q. That was the general impression?—A. Yes, sir; I regarded it so.

Q. You have given us all the specific facts that you have on that?—A. I don't pretend to have many specific facts, only the circumstances that led me to that conclusion, which I told General Porter what they were very frankly.

Q. You told him the same as you have told the committee?—A. Yes, sir.

Q. What they were based upon?—A. Yes, sir. I told him I should be very glad to know and believe that he was not interested in it.

Q. You have no feeling against General Porter?—A. In no way that arises from this matter; only making misstatements about that interview; that's all.

Q. You had no feeling at that time?—A. No, sir; not a particle. I have had a feeling of contempt, to think that the men around the President should come to New York immediately and undertake to get their hands into the public service here, as it had been done previously by Mrs. Perry and other parties that had disgraced the former administration.

Q. Was the former administration disgraced?—A. I think so, by what we heard of this general-order business.

Q. You think that nobody might come to New York to live here? Were you raised in New York?—A. No, sir; I was not.

Q. How long had you lived here when you got office?—A. I have lived here some time.

Q. You lived here some time before 1862?—A. O, yes, sir.

Q. You are not a native of the city?—A. No, sir; a native of the State of Maine.

Q. You are indignant at Porter that he should come here and mix with them?—A. I do not like the looks of it. I think it was disgraceful to the administration.

Q. What particular thing had Porter done in this connection to disgrace the administration?—A. I think I have stated pretty fully. I have stated his connection with compelling Mr. Grinnell to give out general-order business here in this city to Leet & Stocking, &c., and getting up his several other arrangements.

Q. Do you think Mr. Porter compelled him?—A. I say I believe so. I believe that Mr. Grinnell refused to comply with that demand, until General Porter came here and compelled him to.

Q. That is your belief?—A. That is my belief.

Q. And you have given us the evidence upon which you founded that belief?—A. Yes.

By Mr. PRATT :

Q. Do you know of any interview between General Porter and Mr. Grinnell?—A. I never was present at any, but I have heard of them.

Q. At what time?—A. About the time this Bixby matter was being transacted.

Q. You heard that General Porter was at the custom-house?—A. Yes.

Q. Can you give the committee the names of your informants?—A. I was informed that he had come for that very purpose.

Q. Who told you that?—A. This man Mason, who had been deputy collector. He informed me that he had come, and he informed me of another man that was coming, that did come. Then I was informed by several other parties of his being there.

Q. Who were they?—A. By Williams, that he was there.

Q. What Williams?—A. Henry M. Williams; and I was informed by a newspaper man, who said he saw him there two or three times.

Q. Name the newspaper man.—A. His name is Hencke.

Q. What is his first name?—A. Simon P. There was another deputy collector, who is deputy collector now, who informed me he was there, and for his own sake, I should prefer not to mention his name. He is a very nice gentleman, too. I don't want to embarrass him. I don't know that it should.

Q. If it is according to the truth, of course it should not embarrass his position. I think I would like to have it.—A. I will do just as you say.

Q. I think you had better give his name.—A. Mr. Embree informed me that Porter had been there. He didn't say what for.

Q. And that, I understand you, was about the time that the arrangement was made with Bixby?—A. About the time. It was when General Porter was here.

Q. Did any of your informants speak of the interview between General Porter and Mr. Grinnell? What transpired?—A. No, sir.

Q. Was it said the interview took place in Mr. Grinnell's room, in the custom-house?—A. I heard of his being there frequently about that time. That is as far as my information goes.

Q. Everything else was mere conjecture?—A. I heard what he was coming for, and heard he was there.

Q. Who knew what he was coming for?—A. Mr. Mason pretended to know.

Q. Did he say he knew?—A. I don't remember. He was expected to be interested in the general-order business, which he afterward was.

Q. Did he say that he had any interview with General Porter?—A. No, sir.

Q. Did any of your informants pretend to know what transpired between General Porter and Mr. Grinnell, provided General Porter was here at all and saw Mr. Grinnell?—A. I never heard a person say a word who was present at any of these, that said anything about it, only the nearest I came to it was either Taylor or Mattison said that Mr. Grinnell had been compelled to give this general-order business, as I stated before.

Q. How did Mr. Mattison say that he knew that fact?—A. I understood him either that they got it from Mr. Grinnell—they had gone so far that Mr. Taylor had nearly arranged to hire stores for Richmond, who was a particular friend of his; that Mr. Grinnell had promised him so far this business that he had gone to work and ordered the lease of some stores.

Q. Did you have a conversation with Mr. Mattison yourself?—A. The conversation was between him and Mr. Taylor; yes.

Q. Did he say that Mr. Grinnell had given him this information?—A. I understood him so. I am not positive, but I understood it.

Q. What time was this interview between you and Taylor and Mattison?—A. I should think it was in the summer of 1869.

Q. And in this city?—A. Yes, sir.

Q. At what place?—A. Mr. Taylor's office, 48 Pine street.

Q. Mr. Taylor, I understand you, is deceased?—A. Yes.

Q. There is only one other thing that I wish to inquire of you about, and that is in relation to the interview between you and Colonel Leet, at Claremont. I wish you would fix the time, as near as you can, when that interview took place.—A. All I know is it was a few days after this interview with Porter in Washington; I think about a week afterward.

Q. And that interview with Porter was when?—A. On a Monday.

Q. Monday in what month?—A. Now, I won't be positive; I know it was in the spring; it was before the middle of June, at any rate.

Q. Of the year 1870?—A. Yes, sir; and I think it was before the middle of June; I am not positive.

Q. This conversation, I understand you, was at a public house in Claremont?—A. Yes.

Q. By what name is that public house known?—A. It is Mr. Cater's hotel.

Q. Who were present at that interview between you and Mr. Leet?—A. I was introduced to him by Mr. Daniel Boyd.

Q. Did Mr. Boyd hear the conversation?—A. No; we had a conversation by ourselves, in another room; I didn't think any one was present.

Q. And the language, I understand you to say, he used to you on that occasion was, "I have a man who can put his hand on his shoulder?" [Referring to Mr. Boutwell.]—A. On Mr. Boutwell's, shoulder, yes.

Q. Did that finish the sentence?—A. That finished the sentence, I think; I remember that very distinctly.

By Mr. HOWE:

Q. I have got a little confused, Mr. Mudgett, about this story of yours. I don't quite understand whether what you said about Porter's connection with the general-order business was said at Claremont or was said at Washington?—A. It was said at Washington.

Q. I understand you to say that the way you happened to speak of that occasion, was that there were quite a number of merchants present—New York merchants?—A. They were New York people; I don't remember who they were; I know there were some merchants there about that time, protesting against this transaction, and I know that subject was being discussed. It was in the reading-room of the Claremont.

Q. Now, you explain how I got confused; you say it was in the reading-room at Claremont?—A. At the Arlington, I mean; it was a slip of the tongue, if I said so.

Q. It was a slip of the tongue before?—A. If I said so; I meant to say the Arlington Hotel.

Q. There were a good many New Yorkers present in the reading-room of the Arlington, and they were a good deal excited about the transfer of the general-order business from the Jersey side of the river?—A. That was the subject discussed. The merchants were a good deal excited here; I don't say that they were there on that occasion. I didn't say they were; that was being discussed—that subject.

Q. You didn't say that they were a good deal excited?—A. Not on that occasion; I said the merchants of New York were excited on the subject.

Q. And you didn't say that excitement extended to the circle in Washington?—A. I didn't mean to say so; no, sir.

Q. Can you recall any of the parties to that discussion?—A. I don't remember a soul but Cochrane.

Q. You so remember that General Cochrane was there?—A. Yes, sir.

Q. You don't remember any other one?—A. No; I do not, now.

Q. You don't remember who attended to the rumor of Porter's connection?—A. No; I do not.

Q. You can't remember who the friend of Porter's was who denied that connection?—A. No, sir; I don't remember any fact, only the fact that I—the statement that I made.

Q. What was that statement?—A. I made the statement that I believed he was; that I had no doubt of it.

Q. Did you state at that time who else was connected with the general-order business?—A. No, sir.

Q. Did you state at that time who you believed Porter was connected with in the business?—A. No, sir; there was no—I only made that one allusion; I don't think I spoke five words further than that, on the subject, in the conversation; not at that time.

Q. This was in June, 1870?—A. I said it was the last of May or first of June. I think it was in May; I am quite sure it was in May.

Q. And it was Saturday?—A. It was Saturday, I know.

Q. Were you a guest at the Arlington House?—A. Yes.

Q. Were you a guest at the Arlington House more than once about that time?—A. Yes, sir; a good many times. I was there a good deal. I was there frequently through the summer, and frequently through the winter.

Q. How often do you think?—A. I could not say, but it averaged more than once a month, I think.

Q. Do you think you were there more than once in the month of May?—A. Yes, sir; I think I was there a good deal in the month of May; we were just setting the Lady of the Lake going—it had just commenced running on the river, and I was there a good deal at that time.

Q. Do you think you were there more than once during the month of June?—A. Yes; I was there in June, I remember; I think that congressional excursion of the city government, aboard the steamer, was in June; I was there in June.

Q. Was General Cochrane a guest at the Arlington at this time?—A. I think he was.

Q. Do you remember any other occasion on which General Cochrane was a guest at that hotel during those months?—A. I don't remember anything of it.

Q. Where did General Cochrane have his residence at that time?—A. In New York City.

Q. Do you know of any particular business he had in Washington at the time that you met him there?—A. I do not; I don't know what his business was there; I have no information upon this subject.

Q. At what time did your labor-contract, as you call it, expire?—A. The Secretary of the Treasury was not prepared to decide what he would do about it, and he extended it to the 16th of July, I think.

By Mr. STEWART:

Q. Eighteen hundred and seventy?—A. Eighteen hundred and seventy, and then it was closed as far as I am concerned.

By Mr. HOWE:

Q. At what time would it have closed but for that extension?—A. But for that extension it would have closed the 20th of March.

Q. It was the extension of the contract that was about to expire rather than the contract itself, about which you were in Washington?—A. Yes; the Secretary was contemplating what he would do; whether he would let it out, and he gave an order early in March to have it extended.

Q. At this time you had not been appointed an assistant appraiser?—A. No, sir; and I afterward—it was only this last spring that I was appointed assistant appraiser. I have forgotten what time it was; less than a year ago.

Q. What you said then, at the Arlington House, was simply that you believed General Porter was interested in the general-order business in New York?—A. Yes, sir.

Q. You didn't say that you believed he was interested with Colonel Leet?—A. No. I don't think I mentioned Colonel Leet's name.

Q. You did not say that you believed he was interested with Mr. Lindsay?—A. On that occasion at the Arlington, I don't think I mentioned Leet or Lindsay; what I said was simply the sentence that I had no doubt he was, or believed he was; I think the term I used was, "I have no doubt he is so interested," and there was nothing further said to me, and I thought nothing more about it until General Cochrane came to me to make this appointment.

Q. When did General Cochrane come to you?—A. It was early on Sunday evening.

Q. Where?—A. In the office-room.

Q. What did General Cochrane say to you?—A. He said to me, that General Porter felt very much hurt at the remark I made in the reading-room of the hotel, the evening before, in relation to his being interested in the jobs about the New York custom-house, and wanted an interview with me, and asked me if I was willing to have one; and I said, "most cheerfully;" and he asked me if he should make an appointment for me to meet him, and I said "certainly;" and he made the appointment; and the next morning he told me he wanted me to go to General Porter at the White House. I told him I should insist upon his coming, too, because I wanted him present to hear everything that passed between us on that subject, and he went to the interview.

Q. How did that discussion happen; you were introduced to General Porter; had you known him before?—A. No, sir.

Q. You were introduced to him by General Cochrane?—A. I was introduced to him by General Cochrane, and we went into the room back of the office; what we used to call, in Lincoln's time, "Johnny Hay's room," and went in there and sat down, and General Porter opened the subject by saying that he understood that I had said I knew—

Q. Who went in the room?—A. General Cochrane, General Porter, and myself.

Q. And occupied the room by yourselves?—A. Yes.

Q. Now go on.—A. He said to me that he heard that I had stated that I knew personally of his being interested in the jobs about the New York custom-house.

Q. That was the way he opened it?—A. That is the way he opened it. I told him that I hadn't said that I knew personally he was; I had said I believed he was, and believed so still, and would give him my reasons why; and I went on and gave him my reasons in substance, as I have given them here.

Q. You gave him the reasons in substance, which you have given here?—A. Yes, sir.

Q. You told General Porter what Mr. Mattison had said to you, did you?—A. Yes; I think that was spoken of. I am sure it was, and Mr Taylor.

Q. What Mr. Taylor had said?—A. Yes.

Q. Did you tell him also what Mr. Williams had said?—A. Yes.

Q. Did you remind him of the article in the Sun?—A. Yes, I did.

Q. You explained to him all these reasons for believing that he was interested in the general-order business?—A. Yes, I did.

Q. Did you tell him at that time who you believed to be interested with him?—A. Yes.

Q. Who did you tell him?—A. I believed then that Leet and Lindsay were interested with him.

Q. You told him so?—A. Yes, sir.

Q. And he replied what to that?—A. He replied that as to Mr. Lindsay he had no acquaintance with him; that he might have been about the White House; here he might have seen him, but he had no acquaintance with him. And then I reminded him that Mr. Lindsay—and so did General Cochrane tell him—that Lindsay spoke of him as Port., and receiving a letter from Port. to-day, and Bab. another day, and was speaking of him in that familiar manner. And Porter said as to himself he had no right to speak so, and that he had no acquaintance with him, and assured me and General Cochrane both so. And as to Mr. Leet, he said the President did give Mr. Leet a letter to Mr. Grinnell, and that Mr. Grinnell had responded that the general-order business had been given to Bixby and others for public reasons, and he could do nothing for Leet; and he gave us his assurance that neither Babcock nor Leet had any interest in the custom-house.

Q. He didn't say whether Lindsay had or not?—A. He did not profess to know anything about Lindsay, and had no knowledge about him in any way.

Q. Gave no assurance as to his connection in the business?—A. No, sir.

Q. But these assurances did not remove the conviction from your mind that General Porter was still interested?—A. They did not. I told General Cochrane so when we left the house; that there were some circumstances about that matter that still created a suspicion in my mind on the subject.

Q. Did you still believe that Mr. Lindsay was interested in the business?—A. I thought so. I thought so up until the time he was sent adrift. He was supposed to be by parties, too, here, the representative of this gentleman. He was understood to be among those outside. They knew of no other way for Mr. Grinnell's calling him to his aid. As a stranger I could not conceive of any other reason why Mr. Lindsay should be selected by Mr. Grinnell, among so many experienced men as there were here in New York, in relation to the revenue services, in preference to any other. And the fact that Mr. Lindsay professed to be intimate and acquainted with Porter and Babcock, Leet, and all of those gentlemen, that he was regarded as a representative of those men.

Q. And you left this interview—left General Porter on this occasion, with the conviction still, that Mr. Lindsay, as well as himself, was connected with the general-order business?—A. I must say that I was not satisfactory in my conviction, but still I told General Cochrane when we came out—General Cochrane told me then, "I hope you are convinced that General Porter has nothing to do with it." Said I, "General, I am not convinced until I have some more facts;" and when Mr. Bixby informed me of his having paid this Mr. Leet all of this, I then became thoroughly convinced in my own mind that General Porter was interested in it.

Q. I am asking you just now about Mr. Lindsay; what was your conviction when you left at this interview as to Mr. Lindsay?—A. There was nothing said to change my convictions about Mr. Lindsay. General Porter professed to have no knowledge of him.

Q. And therefore you left in the same convictions as you had when you went there?—A. Certainly I did.

Q. When did you relinquish the idea that Mr. Lindsay was connected with the business?—A. I believe Mr. Lindsay was expecting to be connected with the business; that was my belief about it; but Mr. Lindsay, in his management of this business, became very obnoxious to the commercial interests of this city and Mr. Grinnell—he did a great deal of injury to Mr. Grinnell from the fact of his being in the office. Mr. Lindsay was shoved aside, I suppose, as an instrument that was not any longer necessary to be used.

Q. Who shoved him aside?—A. He was shoved aside. I suppose he was shoved aside by the men who had used him, whose representative he had been. He retired when the great institution was upset by Mr. Boutwell.

Q. Who did you say shoved him aside?—A. I don't know. I know he was shoved aside.

Q. You don't know who shoved him aside?—A. No, I do not.

Q. You know he was shoved aside?—A. I know he ceased to be about the institution. Certainly, after Murphy came there, I never saw or heard of him after that.

Q. Do you know that he ever was in Mr. Grinnell's employ?—A. I only know that he was with Mr. Grinnell, and seemed to be a very important man in the office, and had a little office adjoining Mr. Grinnell's, where he was very busy.

Y. Did he continue in that to the close of Mr. Grinnell's administration?—A. I think he left a short time before Mr. Grinnell did.

Q. You think he did?—A. Yes.

Q. Do you think it was Mr. Grinnell turned him out of that office, or Colonel Leet, or General Porter?—A. I don't know who turned him out. I know I advised Mr. Grinnell to get rid of him continually, all the time he had him there.

Q. What did Mr. Grinnell say in reply to your advice?—A. He hadn't much to say. I had a long interview with Mr. Grinnell about his cartage bureau a long time before it was upset. I knew what Mr. Boutwell's view was on the subject very well, and I advised Mr. Grinnell to drop all of these new regulations that he had started to comply

with the views of the merchants of New York and he would be strong, otherwise I thought he would lose his office.

Q. And you advised him to get rid of Mr. Lindsay?—A. Yes, I did.

Q. Repeatedly?—A. Repeatedly.

Q. Did you advise Colonel Leet to get rid of him?—A. I never had anything to do with Colonel Leet; I never had but one interview in the world; I had no interest in Colonel Leet's performances.

Q. But when he finally left it left you in doubt whether he was dismissed by the man you advised to dismiss him?—A. I didn't think anything about it; I knew he was gone, and it was pretty well understood that Mr. Grinnell was going too, when he left.

Q. In this conversation, to go back a moment, which took place at the Arlington House, in which you stated your conviction that General Porter was interested in the general-order business, did you or did you not state that money had been remitted to General Porter?—A. No, sir.

Q. Did you or did you not state that money had been remitted to the White House?—No, sir.

Q. Did you ever state in Washington that money had been remitted to the White House, or to any parties in the White House, coming from the general-order business in New York?—A. No, sir.

Q. You swear to that?—I do.

Q. You never made any such statement?—A. Never made any such statement; never had any such thought.

Q. You never believed any such thing?—A. O, I believed that there was a division between those gentlemen; between Mr. Porter and Mr. Leet; I always believed that.

Q. Who stands for "&c."?—A. I don't know who the parties were; it was called Porter, Leet & Lindsay. The firm was christened that here, and I supposed always there was a division among those gentlemen; I didn't know anything about it; I felt very well confirmed that there was a division between somebody when Mr. Bixby told me what he paid, and I believed it before; I believe money was paid, and I was confirmed in that belief fully when Mr. Bixby told me what he paid. Mr. Bixby, as I understood him, understood that he paid it; that it was divided between Porter, Leet, and Lindsay. He understood so when he paid it, or believed so, but he had no positive knowledge. The ostensible man he dealt with was Leet.

Q. It was about a week after that that you met Colonel Leet at Claremont?—A. Yes, sir.

Q. Do you remember the day of the week?—A. It was Sunday afternoon.

Q. Probably a week from that Sunday?—A. Yes; I think it was.

Q. You were introduced to him by Mr. Daniel Boyd?—A. Yes, sir.

Q. But Mr. Daniel Boyd did not hear the conversation that took place?—A. No; there was two or three gentlemen with me; there was Mr. William Huntington, a merchant here, was with me.

Q. Did either of these gentlemen hear the conversation that took place between you and Mr. Leet?—A. I don't think they did.

Q. How did the conversation commence between you and Colonel Leet?—A. Mr. Boyd told me that Mr. Leet was a gentleman I ought to know, and that he was an applicant, &c., for the contract I had, and I told him I was introduced in that view, and then we had a little conversation together on the subject.

Q. State how it was.—A. He told me then—the conversation we had was that he expected to get his labor-contract.

Q. Say just what he said, and your reply.—A. I will give it as near as I can. He stated that he expected to receive this contract, and I told him that I thought that the Secretary was just about to give these circulars; I think the Secretary was just about sending them out at that time for the lowest bidder among the applicants. I told him that, and I said to him, if he was the lowest bidder he would probably get it, and then, said I, the Secretary—he made the remark that he had considerable influence in these matters—and I said to him that the Secretary of the Treasury was disposed to manage these matters in relation to the Treasury himself, and I heard him announce the day before—that was Saturday—the day before I heard him announce to Mr. Cornell, who was the attorney of Oelrich, and other parties, that his letter that he was going to send to Mr. Grinnell advised the return of these general-order stores to Jersey City and Hoboken, and I supposed, as a matter of course, it would be done, and he made the remark that I alluded to.

By Mr. CASSERLY:

Q. Repeat it.—A. Said he, "I have a man that can put his hand on Mr. Bontwell's shoulder."

By Mr. HOWE:

Q. When did you first mention that conversation?—A. I don't know; I have mentioned it a good many times. I mentioned it to one of the gentlemen who was with

me that day. He was a merchant of this town, and I mentioned it to him ten minutes afterward.

Q. To whom?—A. Mr. William Huntington was up there at the time. I mentioned it to him within five minutes afterward, and I saw him last evening, or the evening before, in this hotel, and he told me that he recollected the fact very well, recollected being there, and recollected that I told him of this remark at that time.

Q. When did you first mention it to any member of this committee?—A. I mentioned it to Mr. Bayard, who I met in Liberty street one day, soon after this commenced; I think it was Liberty street where I met Mr. Bayard and Mr. Casserly. It was one of those gentlemen; they were both together, and we were talking about this matter, and I mentioned that fact.

By Mr. BAYARD:

Q. It was while the committee held sessions in the custom-house?—A. Yes, sir.

Q. After Mr. Lindsay's examination?—A. Yes, sir.

By Mr. HOWE:

Q. Before you testified before?—A. Yes.

Q. Why did you not testify this before?—A. It was not asked me; the question was not asked.

Mr. BAYARD. I remember he did it, and I thought the question was a leading sort of question for me to ask. I didn't wish to ask it in regard to individuals, and Mr. Mudgett had his statement to make.

Mr. HOWE. You thought it was a leading question, and so did not ask it?

Mr. BAYARD. I did not choose to ask the witness the question in regard to this matter, unless the witness might choose to answer it.

Mr. HOWE. I was asking why he didn't give this testimony, and you undertook to explain it.

Mr. BAYARD. You asked him in regard to when he communicated this knowledge to any member of the committee, and my name being mentioned I looked up from my paper, and then you asked him why he did not state it before. I thought I would simply say to you I did not ask him anything about it although I did know at the time he had that fact in his mind.

By Mr. HOWE:

Q. I will ask you again why you did not give this testimony before?—A. Well, I was not desirous of saying any more than was asked me in the matters. There was no opportunity to say it unless I chose to volunteer it and talk about conversation with the gentleman. I did not care to do it unless I was asked about it here before the committee.

Q. You were not asked about it?—A. No, sir.

Q. At whose instance were you brought on the stand again to-day?—A. I don't know. The first I knew of it Mr. Christy came to my office and summoned me.

Q. When was that?—A. The day before yesterday.

Q. Did you have any conversation with any member of the committee as to what your testimony was to be to-day?—A. No, sir; not that I know of. I think not. I don't think I did. I did ask—O, yes, sir, I asked Mr. Bayard if he caused me to be subpoenaed, or Mr. Casserly—I cannot say which—and they stated that somebody had written them a letter saying that I knew some other fact, or something of that kind. Somebody told them he wanted me called on this subject of conversation with Mr. Leet. I didn't think I repeated the thing to him, as he knew of the thing before—what it was.

Q. Then you were advised that you had been recalled because somebody had informed the committee that it was desirable that you should state this matter?—A. Yes.

Q. And when you took the stand to-day you understood what you were to stand for?—A. I did.

Q. It was to state this matter?—A. Yes.

Q. In that conversation with Mr. Leet you advised him that you understood the Secretary had his own way of managing such business, and as the ground for that opinion you stated to him that you had heard him announce to Mr. Cornell the substance of a letter which he had directed to the collector touching the general-order business coming from the Cunard, Hamburg, and Bremen steamers?—A. I stated that the Secretary had called for these estimates of parties; was going to or had to make their statement of the lowest amount they would do this work for, and stated to him that he would get it probably if he was the lowest bidder, or offered to do it at the lowest rate; and he expressed surprise and doubt as to that subject; that he had influence that would enable him to get it at a higher rate than some one would bid; and I told him that I thought the Secretary would manage these matters in his own way, and instanced the fact that he had directed this letter to the collector to restore this general-order business, which we regarded as having been obtained with the same kind of influence that he spoke of.

Q. You told him that the Secretary had directed a letter to Mr. Grinnell?—A. Yes.

Q. Requesting the restoration of that business to the docks on the other side?—A. Yes.

Q. You say it is a fact that he had directed such a letter to Mr. Grinnell, do you?—A. I say that the letter was sent, and I was present when Mr. Boutwell stated to Mr. Grinnell the substance of the letter that was going on that night to Mr. Grinnell.

Q. Do you say that Mr. Boutwell did request Mr. Grinnell to return that to the other side of the river?—A. I understood that it was a recommendation for him to. It was not a command; it was a recommendation.

Q. Was it a request?—A. If I had been collector I should think I would have regarded it as a request, the way I read the letter at the time. It was really a recommendation which amounted, in my judgment, to a request. It is very easy to see what the Secretary's views were on the subject.

Q. You don't think that it was a command or a request?—A. The letter will show for itself. Those are my views of the letter. The letter has been published time and again; I have read it frequently, and I presume every member of the committee has seen it, and I don't wish to give any construction of it, only my own views. My judgment was it amounted to a request to the collector.

Q. How about that letter which you wrote to the Secretary after General Palmer was removed; will you repeat the substance of that?—A. I cannot repeat it different from what I have already. The letter was published at the time and I repeated it as near as I can. I will do so again, if you desire.

Q. It will be more convenient than to have the stenographer look it up and read it to me.—A. This was the letter that I wrote the Secretary after the removal of Mr. Palmer. Do you wish me to repeat it?

Q. If you have any choice; I will let him look it up if you desire.—A. It was published in the Tribune the next morning after it was sent.

Q. Just recall the substance of it.—A. The substance was: I wrote to the Secretary that I was greatly obliged to him for his confidence, or whatever it was, in appointing me assistant appraiser, but I was very sorry to learn that it was the cause of the removal of so faithful and efficient an officer as I regarded General Palmer to have been. As I learned by the Times—I think I stated that being the opponent of the administration or General Grant—I never had been, but I had been opposed to a set of adventurers that came to New York after the inauguration of General Grant, and who sold privileges, &c., and I therefore tendered my resignation.

Q. Who was this set of adventurers that you referred to in the letter?—A. I referred to Leet & Stocking and those gentlemen.

Q. What were the privileges they sold?—A. They sold the privilege of general order to Mr. Bixby, or Leet did.

Q. What did Mr. Stocking sell?—A. Well, he was levying a tax upon the merchants for carting their goods here. He was the head of the bureau that was got up for that purpose.

Q. Which he got up?—A. That was got up for that purpose, and he was put to the head of it, a stranger that came here, that nobody heard of before; he was set at the head of the cartage bureau, and they were carting goods at 10 cents a load, and the merchants had to pay into this bureau, and they were very indignant about it.

Q. Did you at that time understand whose device that cartage bureau was?—A. Yes, I knew all about it.

Q. Did you understand that it was Colonel Stocking's device?—A. I knew the man who was employed getting up the device; they came to me to write up this device, and the man was my partner in the public store, Mr. Johnson. He had been an old custom-house officer, and Mr. Lindsay went to him to write up the device for counting, and he did it for them; they told him what they wanted.

Q. It was not Colonel Stocking, then?—A. He was placed at the head of it; he was there waiting orders.

Q. It was not Colonel Stocking that got up the device?—A. No, sir; Mr. Lindsay was the man that I knew about, at least I was informed that Mr. Johnson was writing this up at the request, as I understood, of Mr. Lindsay, and, I think, Mr. Lindsay has got the memorandum of it now, all in Mr. Johnson's handwriting, the whole programme.

Q. Mr. Johnson, then, was the man who planned it?—A. He was requested as being a man acquainted—

Q. Mr. Johnson was the man who planned the system, was he?—A. Yes; that is, he was under the direction of these men; they told him what they wanted and he planned it, the same as a lawyer would draw a document for a client, as I understand it.

Q. Under the direction of these men—what men?—A. Of Mr. Lindsay, so far as I knew; I only knew what he told me about it.

Q. Then Mr. Lindsay directed Mr. Johnson what sort of a plan he wanted drawn?—A. I understand so far from Mr. Lindsay only; I didn't hear so from Mr. Lindsay; I think Mr. Lindsay told me afterward that he had Mr. Johnson's memorandum of it, all

in his own handwriting, of the whole cartage system that he got up. Mr. Johnson told me when he was drawing this up that he was doing it for Mr. Lindsay, who was Mr. Grinnell's man "Friday"—that is, he was running his machine—and he had asked him to do it, and he did it for him.

Q. What I want to get at is— A. I will try to answer you.

Q. I want to know whether this scheme was Mr. Johnson's invention or Mr. Lindsay's invention or Mr. Grinnell's invention or somebody else's?—A. I think Mr. Grinnell told Mr. Johnson the outline of what he wanted done, and he wanted him to put it in shape for him, and I think he did so. That was my judgment for it, as I understood from the practice at the time.

Q. Mr. Grinnell told Mr. Johnson?—A. I don't know as Mr. Grinnell told him anything. I understood that Mr. Johnson—

Q. You said Mr. Grinnell just now?—A. I meant Mr. Lindsay.

Q. Then Mr. Lindsay gave an outline?—A. I understand so.

Q. And Mr. Johnson was employed to fill up the sketch?—A. Yes; he put it in detail; the order was that, as I understood him at the time; I had nothing to do with it myself in any way; I was opposed to the whole thing from the start.

Q. I suppose I have got as near as I can to the inventor; whose authority gave sanction to that scheme?—A. I suppose Mr. Grinnell's.

Q. Was there anybody else's authority to be employed in New York; could anybody else have sanctioned it here but Mr. Grinnell?—A. No, sir; of course not.

Q. Had Colonel Stocking, then, any other connection with that cartage scheme that you know of, except to assume an office under it at the request of Mr. Grinnell, and to take the salary?—A. I don't know anything further, only that Colonel Stocking was put at the head of this institution. That is all I know about it; and I knew that he was a stranger here, and heard this general talk on the subject of who he was; that he represented he was a part of this institution that was imported here. They called it the "White House Ring," or "Military Ring"—it had a good many such names—and that he belonged to it. It was the popular opinion. I never passed a word with him on the subject that I know of.

Q. You were opposed to that scheme?—A. Yes.

Q. And you held Mr. Stocking responsible for it, and not Mr. Grinnell?—A. No; I did not hold anybody responsible for it. I did not hold Mr. Stocking responsible for it.

Q. What do you mean by telling the Secretary the fact that you were opposing the adventurers who came to New York to sell privileges?—A. I meant to the selling something that I had tangible. I knew that those privileges had been sold to Mr. Bixby; and knowing that one thing had been sold, I had a right to suppose that other things would be sold if they had an opportunity.

Q. But as to the adventurers?—A. Yes.

Q. You classed Mr. Stocking with the adventurers?—A. Yes.

Q. And why an adventurer?—A. I regarded this tax upon the merchants here which Mr. Stocking collected—nobody knew where it went to, or what became of it. It was one of those funds that you cannot tell how much is gathered from it. Some people estimated very high and others low. Some merchants grumbled. One merchant told me that his bills were \$400; that they exacted from him for his own carmen what his own carmen had done.

Q. Still you did not hold Mr. Stocking responsible, I understand you to say?—A. I regarded that he came here, and has this carting bureau got up as something for him. I had no doubt about that.

Q. You believed this was got up for him?—A. Certainly. I had no doubt of it.

Q. You didn't say that before?—A. You hear it now. I said that that was my judgment at the time, and I say it now.

Q. You believe that it was got up for Mr. Stocking?—A. Yes.

Q. And that you state?—A. Yes.

Q. And Mr. Grinnell got it up for him?—A. Mr. Grinnell sanctioned it, of course, or it could not be got up.

Q. Suppose it was got up for Mr. Stocking by Mr. Grinnell—was that a reason for your fighting Stocking more than it was for fighting Grinnell?—A. No. I did all I could to prevent Mr. Grinnell's submitting to it, and I talked with him, time and again, and tried to urge him to do it away before he was compelled to do so by the Secretary.

Q. You say you had something tangible about the sale of privileges?—A. Yes.

Q. That was Colonel Leet's sale of the general-order business to Bixby?—A. Yes, sir.

Q. He sold that?—A. Well, I think there is pretty good evidence of it.

Q. Do you say that it is the fact that he did sell it to Mr. Bixby?—A. I say I so understand it, and I have told you how I learned so. I learned so from Mr. Bixby himself, and I have learned that it was pretty well confirmed by the testimony of Colonel Leet, as published, and other parties here before this committee.

Q. Mr. Leet, you understand, then, owned the general-order business; he had it to sell or he could not have sold it, could he?—A. Of course.

Q. How did he get it?—A. Mr. Grinnell gave it to him, of course.

Q. Mr. Grinnell gave it to him, and he sold it to Mr. Bixby?—A. Yes.

Q. What sort of a bargain do you think he made in selling the general-order business at the price he got?—A. The part that he sold to Mr. Bixby—the interest he had? I think he made a very fair sale, at Mr. Bixby's prices for doing the business.

Q. You think he got all it is worth, do you?—A. It was a very small portion of the general-order business that we know was sold; that that Mr. Bixby bought was a very small portion of the general-order business of this port.

Q. You think he got all it was worth?—A. I should think so, the way Mr. Bixby does his business. Mr. Bixby has been in the warehouse business for a long time, and did his business in a very satisfactory manner, although the merchants were generally dissatisfied with him.

Q. Do you know of any of those adventurers, imported here, selling anything else?—A. No, sir; I do not know of any.

Q. What you meant by your remark to the Secretary of the Treasury was, simply, that you were fighting Leet & Stocking because Mr. Grinnell had given Leet some general-order business, which he had assigned, for a consideration, to Bixby, and he had created a cartage bureau, to which he had put Stocking at the head?—A. I meant that, certainly.

Q. Did you mention anything about that?—A. That was the principal thing; of course it was; it was what had made a great deal of scandal here in this city among merchants, and by other men, and among republicans, too.

Q. Therefore you felt, because it made a good deal of scandal, called upon to fight Stocking & Leet?—A. Whether I felt called upon or not, I was opposed to it, and did everything I could to prevent it from the start.

Q. Prevent what?—A. Prevent Mr. Grinnell's giving out any of those privileges to those gentlemen that came here from Washington. I told him that it would disgrace him and would disgrace the administration, and I think it has.

Q. When did you talk with Mr. Grinnell on that point?—A. I talked with him at the very time these gentlemen were probing him to get these privileges. I talked to him early in 1870, soon after he went into office. I talked with him frequently, and talked with him not more than a month before he was turned out, on the same subject.

Q. Soon after he went into his office you advised him not to give Leet an interest in the general-order business; to give it to men who were in the warehouse business in New York. You advised him not to give any interest in it to Colonel Leet?—A. I advised him the rumor was that these gentlemen, that I have named a good many times, were to get all of these general-order privileges, lighterage, and everything else and carting. I told Mr. Grinnell at the start if he submitted to anything of that kind for a moment it would ruin him as an officer, and he said he was not going to submit to it. He told me so time and again, but he did submit to it.

Q. The question I put to you was whether you advised Mr. Grinnell not to give Leet an interest in general-order business?—A. I didn't advise him about Leet any more than any one else. I knew only the report that those men were here.

Q. What men?—A. The report was that Leet was here representing the White House party. That was the truth about it. I told Mr. Grinnell that General Grant said to myself, Waldo Hutchins, and Taylor, that if anybody came to New York as representing him as recommending anything, that they would be false, and hoped no attention would be given to any such party. I told Mr. Grinnell what General Grant said on the subject. I told him not to pay any attention to any of those adventurers that were coming here pretending to represent the President.

Q. What was it he said to you and Waldo Hutchins?—A. He said if any person came to New York—Mr. Taylor was telling of a person, or friend of his, that Mr. Grinnell had appointed; it was the next day after the Senate adjourned after General Grant was inaugurated. He had this interview in relation to the postmaster of this city, and we were talking about men representing themselves as his friends, and the President said if anybody came to New York representing that they came from him for any position or place, that it would be false; that he should not recommend nor countenance anything of the kind. I told this to Mr. Grinnell as the reason why he should resist these gentlemen that were pressing him for these positions.

Q. Who were the gentlemen that you then understood were pressing him for these positions?—A. I think I have stated that a great many times.

By Mr. HOWE:

Q. Who were the gentlemen, did you say?—A. I have told you that I understand that Mr. Leet was here, representing that Messrs. Leet, Porter & Co. were controlling all of those affairs in the hands of the collector. Mr. Leet's name was very frequently mentioned, and there were other parties to be interested that I have heard. I know these men were frequently spoken of; Leet and Porter, particularly.

Q. Now I have got all the prefatory matter?—A. Yes.

Q. Did you advise Mr. Grinnell not to give Colonel Leet any interest in the

general-order business?—A. I don't know that I mentioned his name to him. I told him I heard parties were pressing him from Washington to give out these things, and then told him what the President said on this occasion.

Q. This was in the spring of 1869?—A. In the spring of 1869. It was the day that the—it was the next day after the Senate adjourned—the extra session of the Senate. We had a little excitement over the postmaster of this city, at the time we were there, on that subject.

Q. Was that the last conversation you had with Colonel Leet about this matter?—A. O, no, I conversed with him frequently. I used to see him from time to time as long as he remained in office.

Q. When did he ever admit to you that he had given Leet any interest in the general-order business?—A. I never troubled myself about it after it was given out. I said nothing to Mr. Grinnell about it after it was given out; but this cartage business, I was urging him continually to stop that and to restore those stores to Hoboken and Jersey City. I never made any advice about Leet or any one else after that.

Q. You did not continue to advise him, then, about Colonel Leet?—A. No, sir; I had no occasion to. I didn't talk to him about anything he had done, only I wished him to do away with this cartage business and to restore those stores that the merchants were making the most talk about; and it was a matter injurious to him in his office and injurious to the administration. I regarded it as such.

Q. You ceased to advise him as to Colonel Leet after you understood Mr. Grinnell had given out the general-order business?—A. I don't know that I said anything to Mr. Grinnell about Colonel Leet in this connection. I don't know that I did at all. I know I advised him against submitting to that, early in the spring, several times—soon after he had entered into office, when he was being pressed on this subject.

Q. Did you understand that he was pressed by anybody representing the White House, in reference to this cartage business?—A. The understanding was—

Q. Your understanding?—A. My understanding was that Mr. Lindsay was a White House representative; we so understood, but knew nothing in particular, only by his actions and movements, and that he was intimate with those gentlemen when they came here.

Q. You believed that Mr. Lindsay was representative of the White House?—A. Certainly I did believe so.

Q. And that he, in the name of the White House, was pressing Mr. Grinnell about this cartage bureau?—A. I believe that Mr. Grinnell was being pressed to it beyond his own judgment.

Q. Pressed to it by whom?—A. By influence stronger than he was.

Q. What was that?—A. I told you I believed it was White House influence, to tell the truth about it.

Q. Communicated through whom?—A. Through these gentlemen that were here representing the White House.

Q. Who were the gentlemen?—A. We knew that Mr. Leet was here in the first place, armed with a document from the President; that was general talk, and it was generally understood; and it don't take a man long, that has had any experience in these matters, to know that an intimation from the President to a man holding office under him is a command; and, knowing these facts, people naturally believe these facts; I am sure I did.

Q. Knowing what facts?—A. Knowing the fact that Mr. Leet came here armed with a letter from the President to Mr. Grinnell—knowing that Mr. Leet was superior to Mr. Grinnell in power at once. I believed so.

Q. And you believed, then, that it was Grant's letter to Grinnell, borne by Leet, which induced Grinnell to organize the cartage bureau and to put Stocking at the head of?—A. O, no; I don't say that.

Q. I would like to know what you have said.—A. I think I have talked very plain; I say that I believed that these representative men induced Mr. Grinnell to do a good many things that his better judgment was opposed to. I believed that his better judgment was opposed to the organization of this cartage bureau. I don't believe that by his own volition he would have done so.

Q. You do believe that his volition was controlled from the White House?—A. I did believe so.

Q. You did believe so?—A. Yes; and believe now that it was controlled by people around the White House.

Q. And in respect to the cartage bureau?—A. I thought so then; I don't know; it may not be so, but I think it was; I think Mr. Grinnell regarded these gentlemen about him as representative men, and I thought different, and I don't know as I have changed my mind with regard to Mr. Lindsay as a representative man.

Q. He regarded Mr. Lindsay as a representative man of the White House—as a man representing the White House?—A. Yes.

Q. When you speak of the White House, do you mean the President?—A. I mean those men around the White House. I never believed that the President had anything

to do with this matter, and I believe that he was being imposed upon by those men around him—continually believed so up to the time that I found the President was taking personal interest in this matter, as I did when I heard that he made his objections to me, because I knew that there could be no objections to me, except that I had objected to those men; that is all; because I never breathed a word against the President in any way, shape, or manner—only these men that were about him—and I always contended that they were disgracing him, and I believe so still.

Q. Mr. Mudgett, I admit that I am spending a good deal over this point, but I am so anxious to learn what your theory really is about the construction of the cartage bureau?—A. I have given you the theory I have on it, sir. I have told you that my judgment of Mr. Grinnell is that, of his own volition, he never would have suffered such an institute. Whether Mr. Lindsay had influence enough over him to induce him to give it up, without any other power than his own eloquence, I won't pretend to say, but I didn't think so at the time.

Q. You thought there was some influence behind Lindsay?—A. Certainly I did.

Q. That influence you thought came from the White House?—A. Yes; I think it came from the White House.

Q. Not from the President himself, but from the men surrounding the President?—A. Yes.

Q. Communicated how, or through whom?—A. When I knew that Mr. Porter was here frequently, the intimate friend and associate of Mr. Lindsay, it was very easy for my mind to see cause and effect; that Mr. Lindsay and Mr. Porter were very intimate friends here; that Mr. Porter made Mr. Lindsay's counting-room in John street his headquarters; that Mr. Lindsay was pushing these things through, and Mr. Grinnell was submitting to it. It was very apparent to my mind where the influence came from that drove this machine.

Q. Then you believe that this controlling influence was communicated to Mr. Grinnell through Mr. Lindsay, do you?—A. In relation to the cartage, yes.

Q. What was the significance of General Grant's letter? I understand you to say that that was what led you to believe it was the White House running Grinnell into the cartage bureau.—A. No; I didn't mean to say that, if I did; I meant to say that what gave Mr. Leet his great power was that, as I understood.

Q. Was that power which Mr. Leet got from Grant's letter—do you mean that that was exerted upon Grinnell to produce the cartage bureau?—A. No; I do not mean to say anything of the kind.

Q. Then the cartage bureau was an institution that didn't grow out of the soil of Grant's letter at all?—A. I don't know that it did or did not. I have no knowledge on the subject, only I know that those people were together. Messrs. Leet & Stocking were very intimate friends and Lindsay—the whole of them were like brothers together here—and they were running this machine in their own way, and the public mind was not very well satisfied with it generally, I think.

Q. Do you know what interest General Porter ever got out of the cartage bureau?—A. No, sir; I don't know anything about it.

Q. Do you believe he had any interest in it?—A. I told you what I have thought upon the subject.

Q. I didn't understand you so.—A. I told you that he had.

Q. An interest in the cartage bureau?—No, not the cartage bureau. I meant the general-order business. No, I don't know anything about it. I don't know that I ever thought on the subject at all about his interest in it.

Q. What makes you think that Porter was driving Grinnell into the cartage business if he had no interest in it?—A. Porter was here, and made Mr. Lindsay's office his headquarters. I don't know why the President's private secretary should be here spending a great deal of time, unless he had some ax to grind.

Q. Then you think he had an ax to grind?—A. I think so.

Q. And an ax to grind in the cartage bureau?—A. I don't know as I thought upon that. I never talked with him on that. The cartage was not mentioned, that I know of, in the conversation I had with Porter, at all.

Q. It was with Grinnell?—O, yes; I talked to Grinnell a good deal about that.

Q. You remonstrated with him against the cartage system?—A. Yes.

Q. And you protested that he needn't be under the influence of these White House people?—A. Yes.

Q. Because they were not backed up by the President?—A. I told him what the President had said; and I didn't believe my advice to Mr. Grinnell was that if you keep yourself strong with the merchants of New York no administration will dare to interfere with you. That was my judgment to him—and he would hold his position. His strength as a merchant, and his connection with the merchants of New York, was greater than the political strength.

Q. What about the cartage bureau?—A. I have told you all I know about it, I think. I have tried to. I have told you I thought it was a very disagreeable performance. I have given you all the light upon the subject I can. I was not consulted by these

gentlemen in getting up these matters. I wasn't in their secrets. I only judge that by my own experience, and what I saw by men's actions and the results of their actions and doings.

Q. And your judgment was that Mr. Grinnell was induced to get up the cartage bureau to accommodate General Porter?—A. I didn't say that at all. I said that I thought that General Porter's influence was potent here in managing all these matters.

Q. And that General Porter's influence induced Mr. Grinnell to organize the cartage bureau?—A. No, I have not said that, Judge Howe, and I don't think it is exactly fair for you to keep putting that in my mouth. I have not said so.

Q. And you don't mean to say it?—A. No, sir; I don't mean to say it. I have told you why I thought so. I have given you all I can give on the subject, and it is satisfactory to my mind, the whole thing, and, I hope, it will be to yours; but I cannot help it if it is not.

Q. General Porter had his influence?—A. Yes.

Q. Had his influence upon whom?—A. He had his influence upon Mr. Grinnell, unquestionably.

Q. What action of Mr. Grinnell did that influence of Porter's produce?—A. I think that influence of Porter's produced—I don't think Mr. Grinnell, notwithstanding the President's letter, would have given out that general-order business if Mr. Porter hadn't come here afterward and insisted upon it.

Q. But what action of Grinnell's did Porter's influence induce?—A. I have just told you one, I think, very plainly. I thought the general-order business was induced and finally consummated by the influence of General Porter.

Q. Did it induce the cartage business?—A. I don't say that it did, alone. I have no doubt that it had its influence indirectly. Mr. Lindsay was regarded as the father of the cartage business, and Mr. Lindsay was with Grinnell, and we supposed, at the time—I certainly did, and I know people generally did—that Mr. Lindsay was the representative of the White House ring—not the President, but those men about him.

Q. I have understood that distinctly.—A. If you want me to repeat it again you must ask the question.

Q. I am content with that statement. I want to know what flowed from him. I understand you to say that Mr. Grinnell would not have agreed to the cartage bureau of his own volition?—A. That is my judgment about it.

Q. I understand you to say that, in your judgment, Mr. Grinnell's volition was controlled by an influence greater than he was himself?—A. Yes.

Q. Now I ask you if you think Mr. Lindsay was more than Mr. Grinnell?—A. I think that Mr. Lindsay's potency was from the fact that he was supposed to represent a gentleman of influence at Washington around the White House.

Q. Who were those gentlemen of influence—anybody but General Porter?—A. General Porter and Leet, and Babcock's name I have heard mentioned, but I never heard it mentioned in any way that gave me any suspicion that he had anything to do with it.

Q. It was Leet and Porter that you believed to be the influence sustaining and guiding Lindsay?—A. That is what I thought.

Q. And, through Lindsay, acting upon Grinnell?—A. I believe I told you so.

Q. And that is the very way this cartage business was produced?—A. That is my judgment.

Q. Now I want you to give me some intelligible reason why Porter or Leet should have exerted themselves to have the cartage business established if they were not to get any benefit from it?—A. I will use my Yankee privilege of answering that by putting another. Why should Mr. Leet, unless the cartage bureau was instituted, take Stocking right under his wing in the general-order business? I think that will answer your question.

Q. That is the only answer you have to give?—A. I think that conveys the whole idea that I could give; that they wanted to take care of Mr. Stocking, and they took care of him when he lost his cartage bureau in the general-order business.

Q. You think that General Porter wanted to take care of Stocking?—A. I put them all together. Certainly Leet did want to take care of Stocking.

By Mr. STEWART:

Q. You said that you believed at the time you were at Washington that Lindsay was interested in this general-order business. Mr. Lindsay has sworn that he was not interested in the business.—A. I so understand.

Q. Do you believe him when he swears he was not interested in it?—A. I have no reason to disbelieve him. I think we had good reason to believe that he was not in it, because he parceled it out; that was the reason.

Q. Did you have as good reason to believe he was in it as you did Porter?—A. Certainly.

Q. But still, when General Porter swears that he was not interested, you don't be-

lieve him, and you believe Lindsay?—A. I told you the reason why, because General Porter had made misstatements about his connection with it and his acquaintance with Lindsay, &c., which caused me to have a distrust in the matter in relation to him.

Q. Did Lindsay make any money out of the cartage bureau?—A. Not that I know of; I don't know anything about it. I don't know who made any money out of it. I know there was a great deal of money collected.

Q. Do you know what was done with the money?—A. No, sir; I do not. I don't think it went into the United States Treasury.

Q. You don't think any of it went into the United States Treasury?—A. No.

Q. Have you ever said that you thought Lindsay was making money out of the cartage?—A. I have no doubt I have said so. I don't remember saying it. I certainly thought so at the time.

Q. Do you think so now?—A. Mr. Lindsay says that he did not. I don't see any reason why I should not.

Q. Mr. Lindsay was very busy about there, was he not?—A. He was. He was very foolish if he was spending all that time for nothing, it seems to me.

Q. Do you believe he was there just for the sake of running the thing?—A. It is a peculiar performance. I don't want to say. I am bound to believe, when Mr. Lindsay says that he didn't make anything out of it, that he did not.

Q. Anything that he states about it you will believe?—A. I cannot help believing that he expected to, some time or other, but it had a short life; the life of the institution was very short; there was no time for a man to make money out of it; it was only a few months.

Q. You think that Lindsay's power with Grinnell arose from his connection with Porter and Leet?—A. That was my judgment.

Q. You stated at the time that you were in Washington that there was a good deal of feeling against the general-order business. Who had the general-order business at the time this conversation occurred in Washington?—A. I didn't say that. I said that there was a good deal of feeling about the change in these general-order stores and on the cartage question.

Q. There was no complaint; Leet & Stocking hadn't got it yet?—A. No; I think not.

Q. This was in June, 1870?—A. Yes.

Q. Leet & Stocking hadn't the general-order business?—A. No, sir.

Q. It was in the name of Bixby and several others?—A. Bixby & Mason and others.

Q. They were not abusing Leet & Stocking, then, for the general-order business at that time?—A. No, sir; not that I know of.

Q. Do you think that whatever Mr. Lindsay states about his having made money out of these things you would believe?—A. I do not know as I ought to be called upon to believe or disbelieve anything that Mr. Lindsay says. I take it for granted. I don't know of any reason why I should disbelieve him.

Q. You do not question Mr. Lindsay's good motives in organizing the cartage bureau, do you?—A. I never gave it any praise, I will assure you.

Q. Do you think that Mr. Lindsay had any other motive in organizing the public bureau except to promote the public good?—A. I don't believe that Mr. Lindsay or anybody else believed it was going to promote the public good.

By Mr. CASSERLY:

Q. I understood you to say, just now, in answer to a question from Senator Stewart, that at the time of the interview between you and General Cochrane on the one hand and General Porter on the other, at Washington, that neither Leet nor Stocking had any of the general-order business?—A. It was then under this contract with Bixby, where Mr. Leet was to receive \$5,000.

Q. Did you know of it at the time?—A. I knew there was some arrangement, but I didn't know the particulars.

Q. But, as a matter of fact, he did have that share of the general-order business at that time?—A. He did, and had it nearly a year.

Q. You have been questioned by Senator Howe as to the time when you first disclosed to Mr. Bayard and myself the communication which you had with Colonel Leet as you have described it here to-day, in regard to his having a man who could put his hand on Mr. Boutwell's shoulder. I understood you to say that you just mentioned it the first time you ever met us, which was in Liberty street?—A. Yes.

Q. Will you state whether the account which you have given to Mr. Bayard and myself differed in any respect, except perhaps greater fullness of detail, from the account of it which you have given here to-day?—A. Not at all.

Q. With regard to this charge in respect to your making certain statements as to a check of \$35,000, in which the names of the President and General Porter were mixed up, do you remember you were asked whether you had ever made that statement to Mr. Le Grand Cannon, of the Union League?—A. Le Grand Cannon, of the Union League, yes.

Q. What did I understand you to say to that?—A. The conversation I had with Mr. Le Grand Cannon was the same as I have detailed here in relation to Porter and Leet, &c.

Q. You did know and have a general idea this conversation was going about against you, in regard to the \$35,000 check?—A. I never heard of it until after General Palmer's removal, and then he told me that John Russell Young, some time after his removal—I think it was late in the fall—told him what the President had told him; that was the first intimation I had of it.

Q. How long after that was it before you had your meeting with Mr. Young, in which you had, for the first time, the particulars of it from his own lips?—A. It was five or six months, certainly; it was the day before yesterday that I had the talk with John Russell Young.

Q. You were first appointed deputy collector under Mr. Lincoln?—A. Yes.

FIFTH AVENUE HOTEL, NEW YORK, *January 26, 1872.*

A. B. MILLER sworn and examined.

By Mr. BAYARD:

Question. Where do you reside?—Answer. I reside at New Rochelle.

Q. What is your occupation?—A. Warehouseman.

Q. Where have you your warehouses?—A. They are located in different parts of the city.

Q. Of New York?—A. South street, Water street, Bridge street, Washington, and West.

Q. Are they very large and extensive warehouses?—A. They are considered so; they cover twenty-five lots of ground in the aggregate.

Q. Are they bonded warehouses?—A. Those that I speak of are all bonded; we have others beside—three.

Q. How long have you been engaged in this business?—A. About fifteen years.

Q. Have you ever had business connected with—have you ever had any of your warehouses designated as general-order warehouses?—A. For a very brief period we had.

Q. When was that?—A. I think it was 1864 or 1865; we had a district of the East River at that time.

Q. Do you know of any reason, growing out of increased security to the Government or to the merchant, why the steamship lines should not have general-order warehouses adjacent to their piers?—A. I do not.

Q. Do you believe that the convenience and business of the port would be served by having such a system?—A. I do.

Q. Do you believe that any advantage or a disadvantage accrues from having the general-order system on the North River confined to one firm and two warehouses belonging to that firm?—A. I could see no advantage.

Q. What are the disadvantages?—A. The remoteness from various points of landing of the goods.

Q. Do you think the accommodation is sufficient to insure promptness of delivery?—A. That I am not capable of judging. I have not examined the stores. I don't know anything about the working of them. I don't like to pass an opinion upon them without thorough knowledge.

Q. Have you any knowledge of the rates at present charged under the general order?—A. Only as reported; I have no knowledge myself.

Q. Are you able to give us any comparison between those prices and the customary prices of bonded-warehousemen in general order?—A. The general rates now for ordinary cases of dry-goods are 25 and 25, I understand; 25 cents storage and 25 cents labor. Cartage in private bonded warehouses is usually performed by the merchant's carts.

Q. What would be a fair price for cartage?—A. That would depend altogether upon circumstances. Goods might come, a package at a time, and in that case a full cartage would be claimed for the one package; but where several packages come together, taking the average, I should think it would be in the neighborhood of 50 cents a package; that is, 1,200 pounds to the load—that is, for the first distance.

Q. What is the increase to the second distance; how much increase?—A. Sixty-six cents.

Q. As compared to 50; if the first distance is 50 cents, and for the full load?—A. Yes; I think the second is 66 cents. I pay very little cartage. The cases are generally brought to us by the merchant's own carts.

Q. What is the average of packages to a load, say of the ordinary dry-goods boxes?—A. I should say about four to the cart-load.

Q. Cart-load of 1,200 pounds?—A. Yes; they would average that of ordinary dry-goods. There are many packages that one of them would make a load.

Q. And a great many packages in which more than four would go on, I suppose?—A. Yes; I think four would be a fair average—two or three—and some might get on six, but rarely.

Q. You think that to one ordinary legal load, as you may call it, of 1,200 pounds, about four cases of dry-goods in the ordinary package amounts to a good load?—A. Yes.

Q. That would bring it down to about 12 cents per package?—A. Then you must take into account that those goods are not always brought in that way. As I understand the law, a carman is entitled to a whole cartage in the load. The carman is entitled under the law and ruling of the custom-house, as I understand it, to full cartage. Some cases, no doubt, occur quite frequently which would make some difference in the aggregate price.

Q. In a ship discharging under general order, the cases being unclaimed have no known owner at the time; is that so? The carman takes them to the general-order warehouses; they are unclaimed goods?—A. Yes.

Q. And therefore have no owner?—A. No owner.

Q. Would they be apt to be carted in single packages, when a ship is discharged under general orders, and all the goods of all the owners were thrown together?—A. No, not in that case; where the ship is discharging indiscriminately—I am speaking now of where some permits are out and others not—where a ship is discharging under general order, before her time, then, of course, the carmen are bound to take a full load. In that case I should think, about four packages, as they run, would make an ordinary cartage.

Q. Would not the cartage of a single package of average size from the ship's side, under general order, be a very exceptional case?—A. Well, I suppose it would.

Q. Do you know of any reason why the charge for storage should be greater in a general-order warehouse than in a bonded warehouse?—A. Yes, sir; there are reasons why the charges should be rather more.

Q. State what they are.—A. In general-order business you have no knowledge of what may be coming. There may be a lot of fifty packages, for instance, of dry-goods; you may receive the whole lot, you may receive but one; you have got to be prepared to receive all. Then they come into the store indiscriminately, and they have to be selected; so that the rate should be higher. Goods are entered in my warehouse, and they come to me with a knowledge of what I have to receive. I make my calculation accordingly; I lay out my space, and there is no space lost. But under general order there may be fifty packages, and I may receive but one, I may receive ten, and I may receive all; and while those are coming I receive goods indiscriminately. Consequently the charge in a general-order store should be in justice more.

Q. Would not the objections you have just stated relate rather to the cost of labor—the extra labor of handling—than the space occupied by storage?—A. No; it works both ways. If I know I am to receive fifty cases of dry-goods, I have my space; but receiving goods promiscuously I have to have those goods in such shape that I can deliver them promptly, and consequently have to leave a large space, so I can see the marks on every package. I have had some experience in general order and know whereof I speak; so that a person cannot consistently do the general-order business as cheaply as the bonded warehouse business. They have this advantage, that they have a monopoly, while we have to make the best terms we can, although there is a disadvantage in the promiscuous manner in which they are taken in and delivered.

Q. On the whole, do you think in justice there should be an advance in price, weighing the advantages and disadvantages which you have stated—there should be an advance in price to the general-order warehouse men over the bonded warehousemen?—A. I consider it just.

Q. What percentage should be added to the cost of storage and labor?—A. Well, I should say they should have at least 50 per cent.

Q. Fifty per cent. added?—A. At least.

Q. Would that pay well for it?—A. Well, I am not so capable of judging, not having it for a long time. I don't know exactly what the business is, but my impression is it would, where a person could have a large amount; it would not pay with that additional rate provided they had but a very small amount of it; but if they had a large business—enough to occupy reasonably the room for which they pay rent—I think 50 per cent. over—I don't mean the lowest rates established by bonded warehouse business, but the customary rates at which we are paid. I have to explain that, because many goods we take at a loss on account of the great competition. So it is not fair to establish a rate upon a price based upon the prices established by parties having to shop round in doing business.

Q. Let us take as a basis the figures you gave us of 25 and 25 for the ordinary package of dry-goods, the average size and weight; at that rate would it pay to call those rates 37 and 37?—A. On ordinary dry-goods; that is, assuming a quarter of a load to an average?

Q. Yes.—A. I would be willing to take it.

Q. Of course the cartage to the general order would be no greater than to the bonded warehouse?—A. Precisely the same.

Q. There is no advance necessary upon that?—A. No, sir.

Q. The rates that you have mentioned would be a fair, liberal basis for going into the business of general-order warehouse, receiving the business as you have stated?—

A. I should be willing to undertake it, which I don't think I would unless it would pay; that would give 37½ cents for a package of dry-goods—that is, the average package. There are many packages, of course, that are worth more; I want that understood. I mean the average package, where four packages would make a load. There are some packages of unusual size that it would not pay to store at that price; a bale of burlaps, for instance, that would weigh over half a ton; it would be ridiculous to suppose that could be stored for the same price as an ordinary case of dry-goods.

Q. What do you consider the cubic contents of what you term an average case of dry-goods?—A. About from 15 to 20 cubic feet.

Q. What would be the height of an average box?—A. Well, the ordinary dry-goods boxes you speak of, about two feet and a half—about two feet and a half square.

Q. That would bring it rather over 20 feet?—A. That would be a little more; you might call it 20 feet.

Q. The dry-goods boxes you speak of are about two and a half feet square; high, broad, and deep?—A. Yes.

Q. About what is the weight of those boxes of dry-goods?—A. Well, they vary very much; those that are filled with linen are very heavy; some descriptions of cotton goods are very much heavier than others, according to their make and style; but I should say about 300 pounds, I suppose, take the average.

Q. That would bring it about to the cart-load, four times three?—A. I should say about that; but there are cases of linen that would weigh very much more.

Q. And then again there are cases of French dry-goods that would be much lighter?—A. Very much.

By Mr. HOWE:

Q. I did not understand how many bonded warehouses you are interested in.—A. Well, we have five distinct bonded warehouses; I said they covered about twenty-five city lots.

Q. How long did I understand you to say you have been engaged in the business?—A. About fifteen years.

Q. Is not that business a good deal overdone in the city of New York at this time?—A. Very much, sir. It was so understood by the Secretary of the Treasury, or at least Mr. James, who has charge of that department, and he assured me last June, when I was in Washington, that there would be no more warehouses bonded. It drives all the good men out of it, and it will finally throw it into irresponsible hands.

Q. I notice in this schedule that you referred to that there are twenty-five bonded warehouses upon the North River for general storage of bonded goods, thirty-one upon the East River, and twenty-two in Brooklyn, and that besides these there are likewise three bonded warehouses for storage of goods in bond of the proprietors only. Do you understand that that is a correct list?—A. Well, I have not looked at this list for some time.

Q. You will see that this is made out in 1872.—[Witness examines list.]—A. There is one proprietor that I do not see down here.

Q. Have you made any profit in the last year in the bonded warehouse business?—A. We have not, sir, I am sorry to say—the first year in our warehouse business that we have not made a dollar of money. The last quarter of this year we lost several thousand dollars.

Q. I ask you to state whether that is owing to the sharp competition among the keepers of these bonded warehouses.—A. Entirely.

Q. And the low charges for storage and labor?—A. Yes, sir; in consequence of the excessive competition. There was a law passed in order that the public interests might be protected by securing responsible parties in the business, but there have been so many stores bonded during the last five years that the business has been overdone, and the storage-keepers, in endeavoring to maintain their business one with another, the result is the business is unprofitable. I have known cases where we have received and put out goods, and have not received one-half of the labor. It is done with a view of retaining your customers, hoping for better things. If I permit you, my customer, to go away and leave it to be done by some one else, he will say at another time, "I give it to the person that did it at the low rate before." Consequently I try to retain you, with a hope of better things.

Q. Do you pay rent for your stores or divide a certain amount of the business with the landlord for the rent?—A. We pay rent for all our stores.

Q. Suppose that the general-order charges were reduced to the same rates as are now charged by the bonded warehouses, do you think that they could continue in business and make any profit?—A. No, sir.

Q. I understand you to say that under all circumstances the general-order stores ought to, in your judgment, in order to make a fair profit, charge about 50 per cent. beyond what the bonded warehouses charge?—A. That is the fair price. I don't mean the competitive price, understand, which, as I gave you an instance, you might possibly secure some business with, but I mean what is considered a fair price, taking the rate of 1857, as established by the Chamber of Commerce, and adding on to that 50 per cent.; that would be the fair price that we ought to have to-day.

Q. What, in your judgment, would be a fair charge for storage in a general-order store, such as those kept by Leet & Stocking for storage per package?—A. Well that would be impossible for any one to state on account of the variety of the packages that come in and their contents. Now, a general-order store is compelled to receive everything that may be sent there, from an anchor to a carriage or a bird-cage, and it is impossible, in view of the heterogeneous mass of stuff, to fix any rate that will apply per package, but we take as a basis of conclusion dry-goods boxes, four to a load, 20 cubic feet each, at 25 and 25, and we fixed 50 per cent. advance, making 37. Many of the articles must be judged by the goods. I have handled packages of machinery—they were not in bond, but they might as well have been—have handled machinery for the Russian government; some of it weighed ten tons. Now, if that had come from St. Petersburg instead of going there and came under general-order, we would have to take it in. That is something we would have to make a special agreement about.

Q. Have you any knowledge of the rates of Leet & Stocking, so you can institute a comparison between their present charges and those of the proprietors heretofore of general-order stores?—A. I have not; I have no knowledge; I have had no occasion to do any business, and I know nothing of their rates, excepting as I have heard them mentioned incidentally.

Q. I will ask you whether you think the interests of the merchants of New York require that the general-order business should be restored to the steamship lines on the other side of the river, to the Cunard and North German lines.—A. Well, so far as my knowledge goes, I think it would be popular with the merchants. Originally, I know, there was a great outcry and clamor about it, particularly with Mr. Stewart and some others, but what their feeling now is I do not really know; of course that is year or two ago. We do very little in the way of dry-goods.

Q. What essential advantages were there in these general-order stores on the other side of the river which are not enjoyed upon this?—A. Well, the proximity of warehouses to the ship was one; the next, the discretion they might exercise in regard to the ferry that they might take. As it is now, their goods come to the upper part of the city, whereas, if they were placed in general order on the other side, they might take the ferry leading to the lower part of the city, or the upper part, with their goods. Beyond that I don't know of any except the long cartage—two cartages, perhaps.

Q. Would not the item of cartage be essentially the same whether the general-order stores were on the other side of the river or on this?—A. My impression is that it would not. Giving testimony in regard to this matter, I have no interest in Hoboken and Jersey City; all our interest, such as it is, is in the city of New York; but, as I understand it, a great many of the goods that come by those steamers are single packages, a great many—perhaps the bulk. Some houses have numerous packages, but a great many have but one, one or two, and they may be different invoices, and those goods are required to be sent to the public store for examination and appraisal. In that case, if they go in general order on the other side, they are delivered at 119 Greenwich street for examination, and the merchant has them then about where he wants them. I mean to say that about two-thirds of the packages come to New York below Canal street.

By Mr. CASSERLY:

Q. I understand you to say you think there are too many bonded warehouses for the good of the business?—A. Yes, sir.

Q. Do you, or do you not, think that two general-order warehouses for the whole North River business are too few or too many?—A. Well, in my judgment I should say too few; they are too remote.

Q. So that is an error on the other side?—A. Yes; I think the business should be distributed more along the water side, as it was in days past.

Q. How many connections by ferry are there between Jersey City and New York?—A. There are three.

Q. Just state them.—A. Two; Courtland street and Desbrosses street.

Q. And Barclay street?—A. Barclay street is the Hoboken ferry.

Q. Barclay street is Jersey City also, is it not?—A. No; one comes in at the foot of Courtlandt street and the other ferry goes up to the foot of Desbrosses street; and the Hoboken ferries, one at the foot of Barclay and the other Christopher street. Then there is the Erie ferry.

Q. Then there is Courtlandt street, Desbrosses, and Christopher from Jersey City?—A. No; Christopher street is Hoboken. While here about the custom-house I would

like to say a word about the injustice of a provision of the law that operates very hard upon bonded-warehouse proprietors, and that is this; it is particularly heavy on a general-order store. As we are not particularly interested in general order my testimony will, perhaps, be taken for what it is worth. We are obliged to take goods that are sent under general order; the collector of the port has the right to send general order to any store that he may designate. For instance, if the general-order store should happen to be filled Mr. Arthur could designate our store, or any store, and we are bound to receive them. Now, if those goods come in, and they may come in to the extent of filling a very considerable portion of the warehouse, and they are unclaimed, at the end of the year are taken and sold, and if they are valueless, or fail to bring anything more than the duty, we get nothing. We are bound to take them on behalf of the Government; we perform the labor, pay the rent of the premises, and then the Government steps in and takes the entire proceeds and we get nothing. Now, that is certainly unjust, and I think the attention of the Government need only to be called to it in order to have it remedied; because what is a small loss to the Government at large bears very heavily on us, and general-order stores are liable to be ruined by that thing. It has not happened; it never may; but it might. It is not just that they should lose a cent in that way. We are compelled to take them; we have no volition. We may say that we do not consider them valuable, but we are bound to open our doors and take them in.

By Mr. BAYARD.

Q. When the sale takes place, and we will suppose a number of packages in your general-order store?—A. If we should have one.

Q. This is a supposititious case: that a number of packages should be ordered for sale; your bill for storage, cartage, and labor is levied against the entire lot that you sent to auction?—A. No, sir.

Q. Is it against each separate package?—A. Against each separate package; so that, in the event of one package bringing more than the amount of the duty, we do not get it to apply to the package that brings nothing.

Q. Does each package stand or fall by its own sale?—A. Yes, sir.

Q. Unclaimed goods have no owner, and, therefore, as far as the United States are concerned, may be the property of one owner, the whole of them?—A. Well, we receive fifty sacks of something as a lot, or fifty cases of some mark; it follows that they are one lot; we enter them as one lot of goods and we make out a bill. That is the way of it.

Q. But as all the various goods are unclaimed, the owner is unknown?—A. That is true.

Q. And being unknown the United States has its lien upon all?—A. That is true.

Q. What therefore is the necessity of disintegrating them; why cannot you charge against them in bulk?—A. They are required to be rendered against each particular mark and lot. But under any and all circumstances the Government should be bound to pay us for that which they compel us to perform. We have no volition; we are bound to take them. In that state of the case why should we as individuals be called upon to incur the risk and absolutely meet with losses for the benefit of the people at large? Now, I think, the attention of Congress has never been directed to that subject. No persons have met with losses of such magnitude that would occasion them to go on to Washington and log-roll a bill through. Mr. Johnson, who is in the business, informs me just now that he has lost \$10,000 in that way. We have lost something, but never to any extent like that. This is, perhaps, foreign to the subject you have in hand here, but I thought it but justice to mention it.

Q. You had a suggestion made you just now by Mr. Johnson in regard to his losses. He suggests to you, now, that the Government pays the general-order charges?—A. I was not aware of that; but they do not pay warehousemen.

By Mr. PRATT:

Q. How many warehouses would it be necessary to establish on the North River, on this side, in order to have one within a half mile—which, I understand to be one carting distance—within one-half mile of every dock on the river?—A. I think about four. I think four would cover the distance. Properly distributed I think four would cover it.

Q. If the general-order business on that river, for instance, were to be given to one man or one concern, could they or could they not afford to do it less than if it were divided up—do it at a lower rate than if it were divided up among several?—A. I think so; of course the aggregate of their profits would be greater. The same rule applies to that that applies to selling merchandise.

Q. From your knowledge of the amount of that business done on that side of the river, if you were constituted a commission to fix the rates for doing that business—take the risks as they are and the business as it is—how would you fix the rates?—A. Well, I should not care to fix the rates for other persons, as far as that is concerned.

Q. If you were selected as a commissioner to say what should be a fair rate for doing

that business?—A. Well, as I have stated before, I consider the general-order store fully entitled to 50 per cent. more than ordinary warehouse charges; I think the general-order business is entitled to that. There is no certainty about its tenure, for one thing; that should be taken into account; and the business is done without any knowledge beforehand as to how much you are to receive or how it is to be delivered. Taking all the circumstances into account, even giving them the benefit of the monopoly while they enjoy it, I think it is worth 50 per cent. above fair warehouse rates.

Mr. PRATT. Before we adjourn, I wish to ask for an order on the collector to report to the committee a copy of the correspondence between him and the Chamber of Commerce of the city of New York, touching the regulation of the storage charges for general order.

No objection being made, it was so ordered.

On motion, the committee took a recess until 7½ o'clock p. m.

The following letter was received by the committee on the 19th of February and ordered appended to Mr. Miller's testimony:

"OFFICE OF MILLER & CONGER'S WAREHOUSES, 271 SOUTH STREET,
"New York, February 16, 1872.

"DEAR SIR: Upon my examination before your committee at the Fifth Avenue Hotel, I was asked by Senator Bayard, 'If I knew any objections to giving general-order business to the steamship lines?' Without reflection, I replied, 'No.' Since then I have looked into the subject, and now desire to say that my view of the matter has entirely changed.

"My reasons are the following, viz:

"First. The steamship lines are all foreign and whatever of profits might accrue would be sent abroad.

"Second. There should be no positions of trust or profit bestowed upon the citizens of other countries where it can be possibly be avoided.

"Third. That no such privileges as are asked for would be granted to American lines in foreign countries.

"Fourth. The bestowal of the warehouse business to the foreign steamship companies would give them the monopoly of the storage of the port of New York and would have a tendency to ruin such of our citizens as are now engaged in the business, many of whom have long leases of warehouses and, in some instances, pay more than \$50,000 per year for rent.

"Fifth. There are responsible and capable warehousemen in the city of New York, who have been engaged in the business for many years, who are prepared and able to do the business for the Government and importers acceptably.

"With apologies for occupying your valuable time, I have the honor to be, with great respect, yours, very truly.

"A. B. MILLER.

"Hon. T. O. HOWE,
"Washington, D. C."

"OFFICE OF MILLER & CONGER'S WAREHOUSES, 271 SOUTH STREET,
"New York, February 19, 1872.

"DEAR SIR: May I ask you, if practicable, to have the views as expressed in my letter to you of 16th instant embodied with the testimony that I have already given before your committee?

"Regretting the necessity of troubling you again, I remain, yours, with respect,

"A. B. MILLER.

"Hon. T. O. HOWE,
"Washington, D. C."

FIFTH AVENUE HOTEL, NEW YORK, January 26, 1872.

EVENING SESSION.

The following communication was read and ordered incorporated with the evidence:

"NEW YORK, January 25, 1872.

"To the honorable the committee of investigation, New York:

"GENTLEMEN: In regard to some of the grievances complained of by merchants in the second step they have to go through to obtain possession of their goods, namely: 'The getting of the goods passed through public store,' I beg to submit—

"1st. That, from want of sufficient room and force, it often occurs that weeks expire

before merchants can obtain possession of their goods, especially in busy seasons, when the goods come in faster than the force kept can pass them. In this way sides of rooms are solidly tiered, to make room for examiners to work, and packages coming in last are often passed first, to save handling and to make room. Merchants are told by the appraiser, when they inquire about their goods, that all is being done that can be done, with the force and room at their command. Last fall, when the pressure was very hard on one division, the appraiser made requisitions for one additional examiner, but the season was nigh over before the relief came. Merchants have settled down to the actual belief that they have no rights which the Government is bound to respect, and sooner than to uselessly parade themselves as fault-finders, in asking for redress, prefer to put up with what they consider an evil that has no possible remedy. Much has already been done, both by the present incumbent and his predecessor, to ameliorate things; but, from their impossibility to turn the goods out last year with that degree of punctuality which is required to prevent a blockade, it is feared that, unless more room and help be given the appraiser, the coming season will be no better than the last.

"2d. That the public-store packages are often tampered with, 'goods stolen therefrom, or forgotten to be put back,' and that merchants have no redress in such cases, written complaints to the collector eliciting no satisfactory response, the culprits go unpunished, the goods are not returned, nor the merchant paid for his losses; but, on the contrary, the Government insists on collecting the duties on the very goods stolen in its possession. Inclosed, I beg to submit a letter of our attorney, in reference to claims of this kind, which were placed in his hands for investigation and collection.

"Remedies have been suggested for both of the grievances mentioned, and if you will allow me, I will mention them.

"To the first: That the now empty portion of the building occupied by the public store be taken possession of by the Government—the additional room is but little, yet would be sufficient for great improvement—and that the Secretary be given authority, if he has not it already, of appointing such aid as may be deemed sufficient by the appraisers to perform the work in a 'reasonable time;' there would then be no shoving of responsibility. The policy of trying to run the machine with the same or less force of previous administrations is working a great injury both on the Government and the merchant. The continual increase of the business of the port continually demands increased space and labor to perform it.

"To the second, or 'of mysteriously disappeared goods:' That the collector be held responsible to the merchant, 'on reasonable evidence,' for all goods stolen whilst in his possession, and that he be authorized to deduct from the pay of those through whose hands the goods pass, *pro rata*, the amount of these losses. The consequence, it is submitted, would make every man interested, and, therefore, watchful.

"The writer desires to state that it is no desire on his part to find fault with the present administration of the custom-house, but to place before the committee those grievances which, from their long standing, have become chronic, with the hope that some recommendation may be made by your committee for the better protection of the mercantile community.

"I have the honor to be, very respectfully, your obedient servant,

"CHAS. CURIE,

"44 Exchange Place."

"LAW OFFICE, 64 BROADWAY, NEW YORK,

"January 20, 1872.

"GENTLEMEN: Permit me to return to you herewith the claims for goods alleged to have been lost or stolen between the ship and the importer's store, with the advice that it would cost four times the amount of the claims to prove them in a court of law. As it is necessary to prove the specific articles claimed to have been lost in the hands of the negligent parties, it would necessitate a commission to Europe to examine the packers and shippers. The goods in these instances appear to have been lost while on the truck or at public stores. The custom-house authorities deny their own responsibility for them, and the truckmen have alleged to me their intention of fighting all such claims to the last court of record. They have told me that they have formed a common fund for the purposes of such litigation. While I am not afraid of the results, if your people would be willing to 'pay the piper,' I should certainly advise them that they were spending much money for small results. I therefore advise them to submit, with what grace they can, to the small stealings, until a reform of some kind is reached.

"Truly, yours,

"G. A. C. BARNETT.

"Messrs. BINGE & CURIE,

"44 Exchange Place."

GUSTAV SCHWAB recalled, and further testified :

By Mr. CASSERLY :

Question. Your house, Oelrichs & Co., of which you are a member, are the agents of the Bremen line of steamers?—Answer. Yes, sir.

Q. You know Mr. John S. Williams, of the firm of Williams & Guion, the agents of Williams & Guion's steamers?—A. I do.

Q. That is one of the largest lines of steamers plying between this port and Europe?—A. Yes, sir.

Q. Mr. Williams was examined at some length a while ago, in regard to the payment of money by the steamship companies to the discharging officers, the inspectors who discharged their vessels, for the prompt and faithful performance of their duties. I will read to you a portion of his testimony from the notes of the official reporter :
“Q. I understand you to say that in your steamship lines, after the officer had discharged the ship, the practice is, if he done well, to give him \$10; or, if he has been very useful, to give him \$20?—A. Yes, sir; what I mean by that is this: if he has attended to his duty and has not put any hinderance in the way of discharging, but, on the contrary, has helped along the work an hour, or two hours, or three hours, we give him a gratuity.” What do you know of a practice of that kind in regard to your own line, or other European steamship lines to this port?—A. I, of course, have never seen any gratuity given, nor have I ever paid any gratuity myself; but, in a general way, I can only confirm Mr. Williams's statement.

Q. State upon what ground these moneys are paid to the inspectors.—A. If you will permit me, I will mention that the practice of paying gratuities to custom-house inspectors for discharging vessels is by no means a new one. I think I have read in the newspapers Mr. Williams's testimony, and he mentioned that he had forty years' experience. My memory does not go back so far as that; but I recollect distinctly, twenty-seven years ago, when I first entered my office, that consignees of sailing-vessels were in the habit of paying such gratuities to custom-house officers; and one of the oldest shipping-merchants in New York, with whom I dined an hour ago, a gentleman of eighty-one years of age, told me I would find that charge on his books more than fifty years ago. The practice has, no doubt, increased since the war, but whether it has increased more than commerce has increased I am unable to say. It is not unknown in the custom-house; for about three years ago, I think, in the spring of 1869, a gentleman from Washington, who represented himself as a special agent of the Treasury, called upon us, and on other steamship agents, for the purpose of collecting information on that very subject. I stated to him what our practice had been, and he mentioned that the Secretary of the Treasury was desirous of suppressing it. Some time afterward the collector or surveyor—I am not sure which, but I think it was the collector—issued a circular informing the agents of vessels that the practice was illegal and that it must be discontinued. We then ceased to pay those gratuities ourselves, but I believe, and in fact I know, that the custom-house inspectors have continued to receive them, and do receive them to this day. I think I can explain to you, if you will allow me, why it is so, and why neither the custom-house nor the steamship agents have been able to stop the practice. I stated, on the previous examination, that the existing laws and regulations governing the discharge of vessels and the custom-house generally are almost largely obsolete and inadequate for the present steamship commerce of our port. They were largely got up before steamers were running; and since my recollection the steamship commerce of this port has increased from fifteen to twenty steamers a year to fifteen to twenty steamers every week. The laws and regulations have changed but very little during that time. As a matter of fact, I can state, I think, that none of the steamers of our line have ever discharged cargoes at this port that have not paid a gratuity of some kind to the custom-house officer in attendance; and I believe that no steamer has ever left this port that has escaped this tax, or that has not violated in some way the laws and regulations, with the consent of the custom-house officers; and that, in a large measure, is what the gratuity is paid for; not that the revenue has been defrauded, or anything wrong has been done, but where the laws operate harshly upon the ship-owners, the custom-house officer exercises his discretion and allows things which are, strictly speaking, against the letter of the law.

Q. When you say “no steamers” you mean no steamers plying to a European port?—A. No, sir; I believe no steamers whatever.

Q. No sea-going steamers?—A. No sea-going steamers to a foreign port coming under the custom-house regulations. These steamers, nearly all, with a very few exceptions, leave on fixed and appointed days, which, of course, makes quick dispatch a matter of almost absolute necessity. We could arrange our days so that even the vessel would have enough time to load and discharge slowly, but it would require double the number of steamers we are now working, and it would necessitate the laying over of the faster steamers an unnecessarily long time. I think I can give the Senators an example of the operation of these laws and regulations upon that point of quick dispatch. The

law says the ship shall be permitted to discharge cargo between sunrise and sunset. The law or the regulations also say all goods ordered to the appraiser's store, to the bonded warehouse, or to the general-order store, shall be carted away and deposited at their destination before sunset. Now, in these short winter days, we therefore commence discharging at half past 7 o'clock in the morning and by 11 or 12 o'clock we have, by the aid of steam appliances that are now commonly used, discharged as many of these goods as can possibly be carted away and deposited at their place of destination before sunset. The letter of the law, therefore, obliges the custom-house inspector to stop further work on board the steamer for that day. The crowd of stevedores, who work by the hour, have to be satisfied with four or five hours' wages, and it will take from five to seven or eight days to discharge an ordinary steamer's cargo. Now, if the Senators will take the New York shipping-list for the last three months or any period of the year, they will find that a number of steamers have arrived every week and have been turned around and have sailed again within four or three days and even two days after arrival, and from that fact the Senators may draw their conclusions as to how the laws have been obeyed and how much steamship agents have relied upon the discretion, and even the indulgence, of the custom-house officers that receive those gratuities. I have stated, on a previous examination, that, with the exception, perhaps, of the French line, which runs every fortnight, we give our ships more time than any other, and, therefore, we have had occasion, but very little, to apply for permission to do night-work or do anything extra for the quick discharge of the vessels.

Q. Is it considerably involved in quick dispatch?—A. The necessity, as it were, of violation of law in order to turn their vessels around. The custom-house officer has it in his power also to cause delay or expense to any steamer discharging without laying himself, by the laws, open to any charge of neglect of duty or anything of that kind. If he insists, for instance, on entering the permits on his books during working-hours, and if he declines to work after sunset, he can stop working on board the steamer an hour or two every day. Therefore you see how much depends, in the management of steamship lines, upon the good-will or assistance of custom-house officers, and if you consider it in that light I don't think you will blame either the steamship companies for paying these gratuities nor even the custom-house officers, for I should be very sorry that custom-house officers should be injured by my testimony or any other person's testimony; it is a practice for which no single man is responsible. I can also give you another instance of how we are in the power, as it were, of the custom-house officers. We have a law on our statute-books, I am told, which dates from the last century, and it is a barbarous and a cruel law, which says that, if any officer or employé of any ship is caught in the act of smuggling, that ship shall be seized and forfeited to the United States.

Q. Any officer or employé?—A. Any officer or employé of the ship; the steward, or fireman, or any sailor. This law is on the statute-books. It is, in a certain measure, a dead-letter, for many years past. In all such cases the Secretary of the Treasury has power to remit, and has remitted, the forfeiture of the vessel. But we have had a case within six or seven years where the ship was seized for a petty act of smuggling of one of our firemen or steward, who had been bribed by a passenger to do it. The ship was seized, and we had to give bonds for the value of the ship, and I think it was \$300,000, and after the Secretary had remitted the forfeiture we had to pay one-half per cent. of the value of the ship to the district attorney, and one-half per cent. to the United States marshal, making our expenses, without lawyer's fees, \$3,000. Now, you may imagine how we poor steamship companies tremble in our shoes every day; for such a thing can be done every day. We are exposed to that every day. If the surveyor was anxious to enforce the law I have no doubt he could do it almost every month in the year, or every year, certainly.

Q. You say that the Secretary of the Treasury some time ago, I understand you, issued a circular to the steamship agents prohibiting the payment of money under the circumstances you have described to the discharging officer?—A. The collector did it. The Secretary of the Treasury sent an agent here.

Q. The result was that, although the agents discontinued the practice of paying directly, yet the moneys continued to be paid all the same?—A. Yes, sir.

Q. The only difference being that more precautions were used to cover up the transaction?—A. Yes, sir. Four or five custom-house inspectors testified to the fact before Senator Patterson's committee, and, as far as I am aware, the collector has taken no further step to stop the practice, except, perhaps, to remove from office those men that spoke of it before Senator Patterson.

Q. What would be the effect upon your line, for instance, if you took steps to stop the practice of paying anything to the inspectors discharging your ships?—A. The difficulty for us lies here: We, a regular steamship line, have no time to make experiments. We could not tell where it would lead to if we certainly refused to do that thing. We have to take the mails. We have to take the passengers every week on a fixed day, and it never would do for those experiments. At least that is the feeling that we have.

Q. What is the effect of such a system on the *morale* of the customs service? What is the effect of a system which permits the inspector to accept moneys outside of his regular compensation and in violation of his oath which he has to take every month?—

A. I cannot but say that it must have a very bad effect on the *morale* of the inspectors.

Q. Do you know of any other irregularities on the part of inspectors discharging ships in the favor which they accept in their presents or anything which they take?—

A. They have a quantity of liquor, but that is, I believe, with the consent of the custom-house. I think the circular of the collector, two years ago, stated the quantity of liquor to which they might consider themselves entitled.

Q. How much is that?—A. I think it was two bottles, if I recollect right. I am not sure about that. I have not been able to find the circular.

Q. It is more for information than anything else that I would like to ask you to state what you know about that.—A. The custom on board of the different steamship lines may be different, because there is no concert of action. I can state what the custom on our line is. I think the custom-house officer considers himself entitled to three bottles of liquor a day, which is, I think, one more than the regulations allow him.

Q. In other words, the regulations allowed him two, and he takes one more?—A. Yes.

Q. What kind of liquor?—A. I think sherry, brandy, and gin.

Q. Does he usually have his choice?—A. I think very likely; that is done on board of the ships by the head steward or purser, and we have no record of it, of course.

Q. Is there anything in regard to the number of inspectors placed on board your ships under any changed rules that you wish to speak of?—A. We used to have two inspectors placed on our ships until about one year ago, after Senator Patterson's committee had been here, and after that testimony of the inspectors had been given before that committee; from that time we have had three inspectors appointed regularly to discharge one steamer, and since that time we have been obliged to pay the gratuity to three men instead of two.

Q. Does that increase of the number of inspectors to three increase the efficiency of the service?—A. I think not, because we never had any complaint up to that time that two could not do the work. I think we had proved that that is not the cause, because occasionally the district inspector on our wharf, who is there permanently on duty, is designated as the third officer to discharge the ship, and receives his gratuity.

Q. The effect of that then is, if I understand you correctly, to add nothing to the service, but merely to transfer him from the wharf to the ship?—A. Yes, the custom-house inspectors are also during the day on the wharf.

Q. Is it to transfer the dock-officer from the dock to the ship? Is that correct?—A. Yes.

Q. Are the fees of the inspectors, these gratuitous moneys paid, charged to the ship?—A. Yes, sir.

Q. No addition is made in the charges of the custom-house by this addition of one inspector to each ship?—A. No, sir.

Q. I have forgotten whether you were examined in regard to thefts in the public-store—a subject spoken of in a memorial signed by you and the agents of several steamers, perhaps all of the leading steamship lines in this port?—A. I have been examined, especially as to the letter which we have signed.

Q. Do you wish to add anything further on that subject?—A. I don't think I can add anything further on that subject. I have seen a great deal further testimony confirming it.

Q. In regard to these abstractions from the packages. Do you find any practice prevailing in the appraiser's stores of marked bad order upon cases without sufficient designation?—A. I have reason to believe that is the case, because in a great many instances where we had complaints of goods being robbed, we found that we had receipts from the carmen in good order, and we were told by the owners that they were marked in bad order in the appraiser's store.

Q. Although the carmen's receipts were in good order?—A. The carmen's receipts to the ship were received in good order—the carman's receipt to us on the dock.

Q. You mean the Government carman?—A. Yes.

Q. Since you last testified at considerable length here, the question as to the change in the present general-order system, which would give to the different steamship companies the right to the general-order warehouse, contiguous to their vessel, has been a good deal spoken of by different witnesses. If you wish to add anything to what you have already said on the probable results of conceding that privilege to the steamship companies, the committee would be glad, I hope, to hear you also.—A. I have noticed that those witnesses have come to the same conclusion which I came to in my testimony, that the system would be better for the steamship companies to have their own general warehouses. When these witnesses were examined it was asked what guarantee you would have that the merchant would be cheaply and properly served by those warehouses. They failed to give the real and true ground for such a belief. They omitted to state that it is very clearly the interest of the steamship

companies to satisfy merchants with regard to the management and the expense of the general-order goods. They have to rely entirely in their business upon the custom of the merchants. No other store-keeper could possibly have such an interest in transacting that business properly and cheaply.

Q. State the reason why you say that.—A. I think it must be self-evident. Our whole business depends upon the custom which we have for passengers and for freight. If we bring over a merchant's goods and put them in our bonded warehouse under a general order, and keep him out of his goods three or four days because our store is too crowded, because we have not got room enough, or if we charge him an unusual storage, the result would be a letter coming to us complaining, and, if we did not satisfy him, his goods would be shipped by another line, naturally. Therefore it is to our interest to deal with merchants fairly, to do the business as cheap as we can do it and as well as we can; and I don't see what interest Mr. Leet, or Mr. Stocking, or Mr. Mason, or anybody who has had that business before, has in satisfying the merchants in doing the thing properly and cheaply. They don't depend upon the merchants. The goods are thrown in there by order of the Government, not by the will of the merchants; but it is the will of the merchant who ships the goods by us, and if he is not satisfied, he can change it from the Bremen line to the Hamburg line, or any other line.

Q. In other words, your view is that if the steamship line had the privilege of the general-order warehouse, any steamships which charged too much or gave too little accommodation to the merchants would very soon feel it in their business?—A. Yes.

Q. Which, you think, as men are constituted, would be the best guarantee for their good behavior?—A. Certainly. I would like to state about something which these witnesses were asked, and which they were unable to answer properly from want of experience. They were asked about the safety of the Government. They were asked whether their general-order goods would be as safe in twelve stores as they would be in two. I will only point out the fact that in each of the twelve stores there would be two Government store-keepers, and in all, there would be twenty-four Government store-keepers watching the same number of packages that are now watched by two or four store-keepers in Leet & Stocking's store. There would be twenty-four store-keepers watching exactly the same business as is now watched by four.

Q. In case of fire breaking out in a large store-house crammed full of goods, like the store-house corner of Leroy and West streets, how would the destruction in that case compare in expense with the destruction that might probably be expected where goods are distributed through ten or twelve general stores?—A. It would, of course, be a great deal more disastrous for the single firms that had put in their goods into that store. If the goods happened to be deposited in different stores, of course, the loss could not be so heavy in that line of business. There is one line of business which imports by different lines.

Q. Is it not true, whether you insure for another or insure for yourself, that the cardinal maxim is to distribute your risks as much as possible?—A. Certainly.

Q. What reason is there why that rule should not apply to warehouses where the goods are stored as well as to any other property?—A. I think there is no reason whatever. If you will allow me, I would like to state another point which has been brought up by the witnesses before you. It has been stated by a very high authority, before the Senators, that permitting steamers to stay here five days after the arrival before discharging cargo would probably cure many of the evils that are now complained of. If such a law were passed, I imagine that Deputy Collector Clinch, who made this statement, would hear of a great many more complaints than he does now; for, while there is one man not prepared or is unwilling to receive his goods within forty-eight hours after the ship's entry, there are ten who are anxious to have them, and who would complain if they were kept out of their goods for five days, or longer than forty-eight hours. The mass of importers, who bring goods a long distance and at great expense, are naturally anxious to have their goods as soon as possible. Many of them would rather take them in twenty-four hours than forty-eight hours, if the facilities of the custom-house for getting entries through were such as they are in the less crowded ports, where an entry can be got through in a few hours. After this examination I felt that Senators must be somewhat under the impression that the general-order goods constituted a very large part of our importations, and I prepared a statement, which, if the Senators will allow me, I will read, showing the proportions of general-order goods to the proportion of the whole cargoes.

Q. You are speaking of your own line?—A. I am speaking of my own and the Hamburg lines. I have taken those two together, because we occupied the Hoboken stores and one store-keeper was employed to draw these up.

Q. It was during the time the general order was at your place?—A. Partly at that time and partly during the late period. It will compare between the last quarter of 1869, when the general-order goods were placed in Hoboken stores, and the last portion of 1871, when the general orders were sent to Leet & Co.

Q. You don't mean the last quarter of 1869, because you had not the general order

during that last quarter?—A. Yes; the general-order privilege was withdrawn from us on the last of February, 1870. The number of packages (exclusive of packages of lead, boxes of tin, and similar bulky goods) landed from twenty-nine steamers, arrived between October 1 and December 31, 1869, 69,040 packages; of that stored in general order in the Hoboken stores, 10,598, making $15\frac{1}{2}$ per cent. of the whole number imported. There were further landed from thirty steamers arrived between the 1st of October and the 31st of December, 1871, 63,548 packages. Of these there were stored, under general order, in New York stores, 5,401 packages, equal to $8\frac{1}{2}$ per cent. of the total number; $15\frac{1}{2}$ per cent. in 1869, and $8\frac{1}{2}$, or about one-half, in 1871. I have also prepared a statement of the number of packages, under general order, in the Hoboken stores from four steamers discharging before the expiration of forty-eight hours after ship's entry, in 1868 and 1869 and the beginning of 1870. Those four steamers landed under general order, before the forty-eight hours expired, 4,091 packages. Of those 4,091 packages there were delivered to the merchants, free of expense, 2,701 packages, or $66\frac{1}{2}$ per cent. and merely 1,390 packages paid general-order charges; $33\frac{1}{2}$ per cent. of the whole number put into the store paid charges. Attached to this statement are the particulars, which also specify the number of regular packages and the number of small packages; and I find that in the twenty-nine cargoes, comprising 69,000 packages, 10,598 were put into general-order store in Hoboken. The number of large packages coming under general order is 6,914, and the number of small packages, which would be less than \$1 each, 3,684—66 per cent. of large and 33 per cent. of small packages. I have not been able to obtain the particulars of the last quarter, whether they were large or small; but I think the proportion would be about the same.

Q. I understood you to say that, in making your figures as to the number of packages which went into general order, whether during the period while you had the general order or since, you include only such packages as were marked packages?—A. And also in the number of the total packages imported; we left those out from both.

Q. You did not include boxes of tin, for instance?—A. No, sir.

Q. Are they not marked packages?—A. We do not consider them so. They have a mark, a brand, and that would appear so charged—the number of tin boxes, and perhaps pigs of lead.

Q. Doesn't it happen sometimes that such boxes go into general order?—A. I don't think we had such a case.

Q. The statement sent from the custom-house includes a large number of bundles and packages which you seem to have excluded. For instance, did you include bundles of steel?—A. I think they would be included. A bundle of steel weighs 300 pounds. I mean just such packages that are not apt to go under general order, but are bulky—where we take them by the ton. In the specific statement laid before you some time ago those packages were mentioned; small packages were specified.

Q. That is not the point I am speaking of. I am not discussing the question of large or small packages, but I call your attention to the fact that you have included in your list of packages gone into general order only certain classes of packages, and you have omitted others which, according to my recollection of the custom-house statement of packages sent into general order during the last year, formed quite a large class, such as boxes of tin, bundles of steel, bundles of iron, and a great variety of articles that would not be regarded probably by you as things included in your account.—A. If we were to include those things in this statement, it would reduce the proportion of general-order goods to the general cargo to a very small figure.

Q. You still don't understand me. How do you explain the fact that they state there a very considerable quantity of such articles as having gone into general order during the last year?—A. They have done it upon another principle than I have done it.

Q. I will assume, for the present purpose, that those statements were designed to show, and did show, the number of articles that went into general order during the year, and, according to my recollection, they include a very considerable number of articles that you have excluded from your calculation.—A. I am not sure that I have seen those statements you speak of.

Q. Is it true, as a rule, that, having always a longer time for your stay at this side than most of the other steamers, there is a smaller proportion of your cargo sent into general order, even when you had your own stores, than from some other lines?—A. Yes. We hardly ever have before February, 1870, discharged our cargoes before the forty-eight hours were up. I think we never did it more than two or three times in a year.

Q. Except in two or three cases a year, you allowed full time to the merchant to get out his permit?—A. Yes; and it saves us expense also.

Q. I understand your view. Wishing to aid the shipper, not considering the question of profit on your warehouse of any great consequence, it was your object to keep them out of general order, so as to keep them in your own service?—A. Yes.

Q. Since you lost the general order, what course of policy have you pursued in regard to that subject?—A. We have pursued the same policy. We give our shippers more time than almost any other line. I may say it is not exclusively for that purpose, for

the object would be too small. We have a longer voyage to make than the Liverpool steamers by three days. When a steamer makes a longer voyage she must be examined; the engines must be examined more closely than at a short passage. We clean out the engines and look into them to see that everything is all right.

Q. Since the general order was taken away from you, is the proportion of packages going into the general order from your steamers greater or less than while you had the general order?—A. The proportion is less.

Q. How much less?—A. Nearly one-half less.

Q. Is that in consequence of the increased facilities you have given your merchants for keeping their goods out of general order?—A. I suppose in consequence of our waiting as long as we can conveniently.

Q. Is it true or not that since you have lost the general order there are greater inducements offered to the merchants to get their permits and prevent their goods from going into general order than there was while you had your own warehouse alongside the dock?—A. I have no doubt of that.

Q. That would operate to diminish the amount of goods going into general order?—A. Yes, in one particular; after the forty-eight hours were up, if it was a regular customer, we did not charge anything.

By Mr. BUCKINGHAM:

Q. Do you regard this payment of gratuities as necessarily connected with the business?—A. I do.

Q. Do you regard it as an evil?—A. I do.

Q. A necessary evil connected with the business?—A. Yes, sir.

Q. Who are injured by it?—A. The injury I consider arises principally from the fact that the custom-house officer expects to receive a gratuity, and does receive it. You may just as well say that the injury arises from the law as much as it does from the custom-house officer.

Q. Do you think there is no other evil arising out of it?—A. I don't think the revenue suffers in any way.

Q. Do the importers also pay gratuities to the custom-house officer?—A. I am unable to state that from my own knowledge.

Q. What is your opinion of it?—A. After all I have read recently I suppose it is done, and I know in some instances it is done; for instance, the complaint made yesterday by the watch importer that he was obliged to fee the officer for getting his goods out. That I consider must be still practiced, for we have had for years past frequently complaints made by importers of watches and jewelry who received their goods in the mail-room. They are the first articles landed which can be got at the very first moment the ship touches the wharf. The merchant desires to have them, and the shipper is also anxious to get rid of them as promptly as possible, because he does not like to keep valuables on board the ship. The consignees of those articles are always the first to have their permits ready and also the first at the steamer to ask for their packages; and I know of no reason whatever why they should not receive them. But we receive complaints frequently that they cannot get their goods without feeing the officer.

Q. Do you think other importers than those who import goods of extra value also pay the gratuity?—A. I have had no knowledge of that until your inquiries here brought out the facts.

Q. What is your opinion of it now?—A. I don't think it can be a very extensive practice, because I think I should have heard of it before.

Q. Do you think it is practiced to a small extent?—A. I should be forced to believe it.

Q. What is the effect of the discharge of your cargo if the importer keeps his goods a great deal longer than necessary; what effect has it upon the delivery of other goods?—A. I don't think that will interfere. From the testimony which has been given here those gratuities are paid principally for detaining goods on the wharf so that the merchant may get his permit and bring it over, so as not to have the goods hurried under general orders.

Q. Do you not suppose they are paid usually for the purpose of securing facilities for an early delivery of goods?—A. I think not, because a custom-house officer has no control over that.

Q. How is it in the case of valuable goods?—A. The gratuities are paid, because they can't be got at the first moment. The importers are told when they come on our dock, "You can't get your goods; we have not opened our hatches yet; we have not commenced discharging;" and on such pleas as that they put him off until he pays a fee.

Q. The gratuity hastens the delivery?—A. It does. It hurts nobody; neither the ship nor the Government.

Q. And yet you think it an evil incident to the importation?—A. Yes, decidedly.

Q. If it is an evil what remedy have you for it; will you suggest one?—A. That is very difficult. I am afraid I should have to make a very long story. I am free to

state it is an exceedingly difficult problem. The great evil lies in the fact that those men that are appointed inspectors have no security for their positions whatever. They know they are there perhaps for a year or two, or, at the outside, four years, therefore they make up their minds to make the most of it. It would certainly be an improvement if the Government would make the tenure of these offices dependent upon good behavior and the capability of the officers.

Q. That would be one of the best remedies you could suggest?—A. Yes. Certainly that would create a feeling of honor among those men which, I am sorry to say, there is very little of now. A man who knows his position is secure would take a stand against a man who offers him a bribe; but the man who has no security for his position, and knows it is only a temporary thing, is exceedingly tempted to make use of that opportunity.

Q. Do you think that a man who has a large salary would be less liable to embrace the opportunity or temptation than a man with a small sum?—A. I think myself that the salary of custom-house officers is insufficient. They are mostly married men, and \$4 a day is very low compensation for a man that is exposed to all sorts of temptations.

Q. If he is really an honest man, wouldn't he be honest at any rate?—A. I have no doubt of it, but it is not in human nature that four hundred and fifty men should be of such strict honor as to resist temptations that are offered to custom-house officers.

Q. A longer tenure of office, then, is your best remedy?—A. A longer tenure of office and a higher salary.

By Mr. PRATT:

Q. Will you state what is the amount of the gratuity generally paid the inspector?—A. The amount generally paid, I believe, is about the same. Mr. Williams stated that his firm pays from \$10 to \$20 apiece to the officers.

Q. Has custom established the amount of the gratuity to be paid the inspector?—A. I can hardly say that custom has established that.

Q. How is this matter managed so as to allow the inspector to satisfy his conscience at the end of the month in taking an oath that he has received no gratuity that month?—A. I am unable to state that.

Q. Have you no knowledge in what form this gratuity is manipulated?—A. Yes, I can state that; but I mean as to the conscience of the inspector I am unable to state. The way it is done in our business is by an employé of the steamship on our dock placing the gratuity in a certain place where they find it, just as it has been described by the witnesses before Senator Patterson.

Q. How does the inspector know where to find the place?—A. That I am unable to say.

Q. Have you ever seen the process yourself?—A. No, sir.

Q. You have heard it described?—A. Since the committee has been here, I have made inquiries. For the last two years I have never inquired about it; since the collector sent the circular I told our clerks I would have nothing more to do with it; I did not want it on our books and they must not ask me any more about it. When this committee came here I made inquiries how it was done. I knew all the time it was done.

Q. The money is placed in some place mutually understood between employé and the inspector, and he receives it?—A. Yes.

Q. Who details the inspector to superintend the discharge of the cargo; is it the inspector who designates them?—A. The surveyor of the port and his deputies. I am not sure that the surveyor himself does it, but it is done in the surveyor's office.

Q. Does it happen that the same inspectors superintend the discharging of the same ship often?—A. It is not usual that the same inspectors return to the same line regularly.

Q. They are generally new men?—A. They are generally new men. They return after a while, in their turn.

Q. I wish you would describe for the benefit of myself (probably the rest of the committee understand it without the inquiry) what are the duties of the inspectors in discharging cargoes.—A. They have to check all the packages as they are discharged.

Q. They have the invoices in their hands?—A. They have a copy of the manifest in their hands; they also receive the permits, which they have to enter in their books, and from which they make their reports to the custom-house. They check off the cargo as it is landed, as it is put out of the vessel, and direct where the different packages are to go; such a package is ordered to the appraiser's store; such a package to the bonded warehouse; such a package is duty-paid and goes to the merchant, and another package is unclaimed and goes to the general-order store.

Q. Wherein and how does the arrangement made with the inspectors facilitate the discharging of the cargo?—A. If the inspector says, "I can't stand here and watch the things as they come out of the ship, because I will have to go to my office and write up my permits," the ship has to stop discharging.

Q. Wouldn't that be obviated if four inspectors instead of two were sent on board

of the vessel?—A. I doubt whether it would, because he has to see those same permits that he takes go through for entry in the books. I am not so well acquainted with the business because my place is in the office. I only go there once or twice or three times a week. I have been assured by our clerks that it is no use whatever; it is no improvement to have three officers than to have two.

Q. Does the inspector in consequence of the gratuity perform any more labor in the discharge of the cargo than he otherwise would?—A. I think he does.

Q. Wherein does he do so?—A. In doing his writing largely in the evening after the vessel stops discharging, or after he is relieved by the night-officer; but certainly they do that.

By Mr. CASSERLY:

Q. Is there any difficulty in the inspector, if he chooses, to put a great many obstacles in the way of the prompt discharge of the ship, without apparently violating his duty?—A. Certainly. There is the greatest difficulty.

Q. Of course, that is a difficulty everybody recognizes who has any experience in subordinates transacting business. I asked you a while ago what you thought was the effect of the system in paying money in this way to inspectors upon the *morale* of the service, and I understood you to say that the effect of it was demoralizing?—A. I have no doubt of it.

Q. Will you state now in what way it demoralizes the men?—A. In obliging them to make an oath under certain mental reservations.

Q. Is it not an evil also in this: that it accustoms the men to expect compensation outside of that which the law allows them?—A. No doubt of it.

Q. When that compensation is withheld from them, what is the natural effect upon the men?—A. The effect is to make them throw obstacles in the way of the steamship's business.

Q. Do you think its tendency would be troublesome?—A. Yes, sir. I would like to state one more point that has been touched upon before you. The collector has recently refused to grant any permits for night-work on board steamers, even for coal-ing the ships, which involves no danger to the revenue, because the coal is thrown into the ship's sides. The collector has a right to use his discretion, if not to coal, certainly to discharge the ship at night; but we steamship agents think that those orders—as to those orders, permits had been issued under a misapprehension altogether. We believe, and we think we can prove, that it is absolutely safer for the Government to discharge a steamer's cargo by night than during the day. At night we close the gates of our wharves, and we keep out a crowd of cartmen, clerks, merchants, passengers, visitors—people of all kinds that make our wharves during the day a scene of bustle and confusion. Our experience teaches us that we lose fewer goods at night than we do during the day-time; and I have no doubt that in the course of time the collector will come to the same conclusion. It is a very important matter for us.

Q. That is in case there are inclosures to your wharves?—A. All the wharves of regular steamship companies are fitted up with inclosures, and can be closed entirely, and must be in fact. Our wharves are also lighted by gas. For instance, the Bremen line has two sheds, five hundred feet long, which are lighted up with gas the whole length.

Q. What watchmen do you have at night?—A. We have a number of private watchmen and we have a number of Government watchmen.

By Mr. STEWART:

Q. In regard to this matter of gratuity. Do you give it to these men when they don't do any work outside of business hours?—A. We give it to them regularly, because there is always more or less work outside of business hours for discharging inspectors; and whether there is more or less we give it to them regularly.

Q. If it is necessary to be paid, why couldn't you have an arrangement made to have it paid into the office, paid to the surveyor, and give the men a certificate that they have done the work well, and have it done without any secrecy?—A. I should be very glad if that remedy would really answer its purpose, but I am very much afraid that after the thing would be made a regular charge upon the ship by the custom-house, the custom-house officer would come in for a gratuity after all. I believe that extra gratuities are sometimes given for night-work. I have very little knowledge of that, because we have not done night-work.

Q. You have got no night-work on your line?—A. No.

Q. Could not the regulations be so changed as to make it a duty?—A. No, sir; it could not be done, because one man would do it and another man would not do it; one man might be accommodating and another might not be.

Q. Suppose the Government should turn out all these men and start afresh and fix the salary higher, would that do?—A. No, sir; not unless you make the terms of their office permanent, dependent upon good behavior—make them men of honor.

Q. As things are now, if this was reported on, the men would be removed?—A. Those men that testified before Senator Patterson's committee were removed.

Q. You think the steamship companies would be generally unwilling to make experiments and that they would prefer to have the inspector's good will?—A. Certainly they would. It is considerable, because the necessities arise every day and occur so frequently and regularly that none of us want to take a stand, and say, "I will risk it, whether I can get my steamer off next week or not."

Q. Then, if he was there for life and the salary sufficient to support him, still he would be perfectly safe to do that?—A. If you make the office for life he is more careful.

Q. But this has been going on for fifty years, and no steamship company has reported a case to the collector. Have you heard of a case reported?—A. I have not heard of any. It has been an open secret, a public secret; everybody has known it.

Q. What I want to get at is the way to avoid it if it can be done. These inspectors are not very trustworthy men?—A. I do not say that. I think there are a great many trustworthy men.

Q. Most of them, you think, are trustworthy?—A. There are a great many trustworthy men among them; men who I believe would not take a bribe and would not hurt the interests of the Government any way nor allow it to be hurt.

Q. You think that these men who take this gratuity would not defraud the Government?—A. I think there are a great many men who do this and would not allow the Government to be defrauded.

Q. Do you think that can be said of them generally?—A. I am unable to state how many, but I think there are some, probably a large number. You can't make the men a great deal worse than they are.

Q. Suppose there are twelve of these general-order stores at the twelve steamship companies; each one of them has a store; the Government, for its revenues, would have to depend upon them, the same inspectors, to watch the goods?—A. There are Government store-keepers in all these stores, and the goods must be accounted for. Those goods that the ship brings are on the manifest; every package is on the manifest and must be accounted for; whether they go to the bonded warehouse, to the appraiser's store, to the general-order store, or to the merchant, they must be accounted for.

Q. Suppose the manifest is not present and they are passed over the side of the dock?—A. No ship is allowed to touch the dock before the manifest is presented. The manifest is delivered to the custom-house officer at quarantine.

Q. Suppose they were not put on the manifest at all.—A. Then the discharging officer receives them, and they will be reported to the custom-house. That is very frequently the case. There are a great many steamers that bring goods which are not on the manifest, goods which, in the hurry of shipping on the other side, have got mixed, and goods marked for other places have come to this port. The custom-house officer frequently reports such and such a package laid over for the next steamer, and we often get the news that a package is put on board the steamer to this port that should have gone to India or some other place.

Q. In regard to the goods on the manifest, and if the officer should happen to be a rascal, and the managers of the vessel, those discharging the ship, were willing to collude with him in that arrangement, how is the Government to know that those goods ever did come?—A. The custom-house officer might do a good deal of that kind, but it is not easy to do it, for we have also a memorandum of the goods that are brought, and we keep a full list of those goods, because we may be called upon to deliver them to the rightful owner at any moment. If goods are shipped by mistake from the other side, we look after them more carefully than those delivered to the consignees. They can't get the goods from us without our knowledge, for we give notice in the general-order store where those goods go, that they can't be delivered without our freight being paid. They have got to come to us before they can get them from the general-order store.

Q. Suppose there was a case where the shippers had goods that were not on the manifest and desired to smuggle them; the parties that are connected with it are only the custom-house officer and the person managing the ship—then they could smuggle?—A. Yes; it can be done. There are a great many things of that kind. For instance, the thing that was done by Mason in the general-order store, by receiving the goods from our line after we had lost the privilege. I believe the thing was done in collusion with the storekeeper. The goods were exchanged; invaluable goods for valuable goods. Invaluable goods were placed in the store, and passed through the custom-house, and delivered as those imported by the steamer. A store-keeper can do that, in collusion with a merchant here and a merchant on the other side, every day. He can write to ship such and such a box by such and such a steamer. I know if those boxes come in my store. I will replace them by other goods, and pass them through the custom-house as straw hats, whereas they were silks originally. That thing can be done by any store-keeper.

Q. I mean the ordinary cargo. There is very little chance for smuggling that if the custom-house officers are honest?—A. Yes.

Q. Don't you see it is a very important thing to have men there entirely honest?—A. Yes.

Q. You don't think it can be done by paying them higher wages?—A. Not by that alone.

Q. But you think it could be if you made the tenure of the office depend upon good behavior?—A. The amount of it is you have got to give a higher standard of honor to the whole service.

Q. The places are too important to be filled by \$4-a-day men?—A. Yes, sir.

By Mr. CASSERLY:

Q. In your experience on the subject of paying money to inspectors, have you ever known a really earnest effort made by the authorities to correct the evil?—A. The only effort I ever heard of was the effort of Mr. Secretary Boutwell sending a gentleman here from Washington collecting information, and causing Mr. Grinnell to issue that circular; but that was, as I have stated, ineffectual.

Q. In the nature of the subject, is there any reason why a class of inspectors should not be found to do their duty, for their legal salary, promptly and efficiently, as well as the deputies in the sheriff's office can be found to do their duty promptly and efficiently in the service of writs, that require great discretion and nearly always great promptness?—A. I am unable to answer that, because I am not acquainted with the business of the sheriff. Really I consider it a very difficult problem to reform these abuses.

Q. You don't know of anybody that has tried it, I believe?—A. No, sir.

By Mr. STEWART:

Q. If you think that this is a necessity, wouldn't it be better to let it be done publicly; that is, let them report to the Treasury Department the amount they receive; would not that do away somewhat with the demoralizing effect upon it?—A. You would have to alter their oath.

Q. But it has this danger, that as soon as it became a regular recognized thing, then there would grow up a desire to have a little extra privately?—A. No doubt of it.

By Mr. PRATT:

Q. Do the same inspectors who discharge a cargo inspect the baggage of passengers, or is it a different class of inspectors?—A. The passengers' baggage on board of a steamer is generally inspected by thirty to forty custom-house officers. The custom-house officers assigned to discharge ships may be of the same number, but are not always. I believe the surveyor has stated before you that the inspectors examining the baggage are the ones awaiting to be designated to any ships; they are collected at the barge-office in a crowd, and when a steamer arrives a number of those are always designated to examine the baggage, because that is only a business of a few hours.

Q. What, if anything, do you know of the practice of bribing inspectors to pass baggage without examination?—A. I am unable to state anything on that point from my own experience. You occasionally hear passengers say something about it, but you hear very little about it.

Q. You would not be in a position to hear whether the practice was a general one?—A. Not myself. I am not generally present when the passengers are landed. I am there when the ship leaves.

Q. Who, connected with your company, knows about it?—A. Some of our clerks might. All those things are done in a way that we are not likely to know anything about it. And then we bring mostly German passengers, and those people know very little about the way of doing those things. I think that is done principally by the American passengers, who know how to approach a man.

Q. Is it not contrary to regulations to bring any portion of the cargo into the mail-room?—A. There is a certain portion brought into the mail-room, as I said before—jewelry, and such valuables—where the value of the goods is stated on the bills of lading.

Q. My inquiry is if that is contrary to regulations with which you are familiar?—A. No; I believe not.

By Mr. HOWE:

Q. Do I understand you that hours are prescribed by law for the discharge of vessels?—A. By law or by regulation. I think it is a Treasury regulation. It has been mentioned before you by the collector or the surveyor.

Q. That you are to discharge between what hours?—A. Between sunrise and sunset. I have always been told so. I think Mr. Clinch stated that was the law.

Q. Do you understand it is by regulation also, and not by statute, that the goods are required to be moved from the dock on the same day they are placed upon the dock?—A. Yes, sir.

Q. I understand you also to say that you now, by the application of your machinery, are able to raise goods from the hold of the vessel and to transfer them to the dock faster than they can be removed from the dock?—A. Yes, faster than they can be removed from the dock.

Q. In point of fact, I understood you to say that you could hoist them up by the

middle of the day to tax the demand of the various carmen during the whole day?—A. To get them off during the afternoon before half past 4.

Q. You can hoist as many by the middle of the day that the carmen can get off during the rest of the day?—A. We can hoist about twice as fast as they can cart away.

Q. What is the specific relief that the inspectors afford you against that regulation?—A. The specific relief is that they allow goods to be carted away sometimes after sunset; that they allow goods to be over night on our dock; that, instead of ordering goods away at 10 o'clock in the morning, they do it at 4 o'clock in the afternoon, giving the importers time to bring in their permits. They can order the general-order goods away at 10 o'clock in the morning, 2 o'clock or 4 o'clock in the afternoon. If they order away the general-order goods at 10 o'clock in the morning, of course it causes a great deal more expense to the merchant or to the ship. Now it is with the custom-house officer to say when he will begin to send away the unclaimed goods.

Q. That is a question that concerns not you, but the merchant?—A. It concerns us through the merchant, and frequently concerns us also, in many lines at least, in all those cases where the ship discharges within forty-eight hours, and it is a question for the ship; after that it is a question for the merchant.

Q. Then, in violation of the regulation, the inspector allows you to go on and hoist your goods from the vessel during the whole day?—A. During the greater part of the day.

Q. And such goods as can't be removed have to lay on the dock during the night?—A. I suppose that is so, because I could not see how ships could be turned around in two days or three days, which is frequently done, not in our line, but in other lines.

Q. But I am talking now about the business as it is done on your dock. I want you to confine your attention to that. What is the fact there? Do you go on and hoist your goods out as fast as you can?—A. We go on, probably, longer by the indulgence of the officer than we should if he used the full power that he has.

Q. That is to say, you hoist more goods than can be carted off?—A. We hoist out more goods than can be carted off before sunset.

Q. And those not taken in charge by the cartmen remain on the dock?—A. They remain on the dock, or, more frequently, they are carted away, so as to reach their destination after sunset, where they are still received.

Q. Do the regulations prohibit the carting of goods after sunset?—A. I don't know whether they actually do. I should think so from the statement that those goods had to be dispatched to the place where they are ordered before sunset. That was stated here by Mr. Clinch to be the regulation—not only to leave the dock before sunset, but to reach the place of destination before sunset; and, of course, they must be away from our dock an hour earlier.

Q. Are you allowed by an inspector to continue to land goods on the dock after sunset?—A. No, sir; we are not. We are not obliged to do it.

Q. The question was if you are allowed by the inspector to land goods on the dock after sunset—to transfer goods from your vessel to the dock after sunset?—A. I suppose they are not so very particular about half an hour or so after sunset; I suppose that occurs two or three times in the year. We can't do that without a special permit. The inspector has no power over that, he not being the night-officer. The night-officer comes in at 6 o'clock, and when he comes he takes charge of the dock.

Q. But the regulation allows you between sun and sun to discharge your vessel, as I understand it?—A. Yes.

Q. Now, does the inspector ever withhold the privilege; does he prohibit you from discharging at any time between those two hours?—A. Yes, sir. I know it has been tried; it has been done, in fact.

Q. What has been done?—A. The custom-house officer has stopped work on board the ship on the very ground I have stated—that he could not get the goods away from the dock before sunset—those goods that were not permitted; and for that reason he insisted upon stopping work.

Q. When he has insisted upon stopping your work before sunset, have you obtained his permission to go on by the payment of these gratuities?—A. We have not paid a special gratuity for that purpose. What I meant to state was that the custom-house officers are more accommodating, and the work is facilitated in consequence.

Q. I want to ascertain what the inspectors do in consequence of receiving these gratuities—how it is that your work is facilitated?—A. I will describe a little more clearly. By 12 o'clock we have our wharf full of goods; the whole wharf is crowded with merchants' carmen and custom-house carmen, and I don't know what all. The custom-house officer sees that he has to clear the custom-house goods, the general order, the appraiser, and bonded goods before he can stop work; but he gives us two hours longer, and allows us to throw out two hours' more goods, and in that two hours he sends some branded goods to the appraisers' stores, and at the same time the merchants' carmen take away a great many of their goods, if a permit comes. These goods always crowd the wharf, being sixty-six per cent. of the whole cargo; much more often they crowd up the wharf a great deal more. In the afternoon these goods

are first moved, and then the custom-house carts begin working much faster. They can move the carts much quicker in the afternoon and get the goods to their place of destination an hour or two hours after sunset. In that way we gain a great deal by the indulgence of the custom-house officer.

Q. That is, you gain two hours?—A. Two or four hours.

Q. But even that don't carry you to sunset?—A. We can generally manage to discharge merchants' goods by sunset. Duty-paid goods, of course, they have no objection to discharging them until sunset. When we have a large quantity of tin, lead, and iron, they take a great deal of time to get at. For instance, we bring over these railroad tires, which take a great deal of time to move; and while we are discharging those the carman can move those goods which have been thrown out the previous part of the day.

Q. Do the officers of your boat know what goods have been and what goods have not been permitted?—A. Certainly; they can ascertain that at any moment from the custom-house officer.

Q. And in that way you are enabled to continue discharging until sunset?—A. Yes, sir. These things have to be, as it were, dove-tailed into each other; and if the custom-house officer declines assisting us in that way, he can prevent our discharging rapidly in a great measure. If he stops us from working when it suits him; if he prevents us, for instance, from taking out a lot of tin by stopping work before we can get at that tin, we can't do anything in the afternoon. If he gives us an hour more to get at that tin we can work the whole afternoon. It is in this way, and a great many different ways which I am not able to tell now, because I am not so familiar with the details of the business, that the discharge of the cargo is facilitated.

Q. Precisely, then, what it is that the inspector does for you, you are not prepared to say in detail?—A. No, sir; not at all.

Q. But that in some way he facilitates your discharge, you think is true?—A. Yes.

Q. And that that facility which he allows you is in accordance with, but in violation of, these regulations of the Department?—A. Of the letter of the regulation, but not of the spirit.

Q. Of the letter of the regulation, but not of the spirit?—A. Yes; because those things are well known in the custom-house.

Q. Taking that to be the true explanation of this system of gratuity, what would happen to you steamship-men, supposing the Government should act upon your suggestion, should raise the salaries of inspectors, and should make their tenure permanent? How would you get your boat unloaded? Then you would have honest inspectors, stern, inflexible inspectors, who, when your employes stuck their bills around in holes, would let the rats carry them off. Then how would you get your boats unloaded?—A. We could not have that facility, and for that reason I have stated the laws ought to be changed.

Q. After all, is not that the remedy you are trying to get at?—A. That is one remedy I have stated repeatedly.

Q. What other changes would you have made in the law?—A. That would lead me too far. I am utterly unable to state that in a few words. It is a very difficult problem, but I am not competent to say what remedies would be sufficient.

Q. If the laws were made favorable to a ship-owner, you think you would get along with the inspectors as they stand?—A. I doubt whether we could without gratuities.

Q. Why, if the law furnished you all the facilities you wanted, what would you care about inspectors?—A. The law can never furnish rules for all cases; that is utterly impossible. The inspector discharging a ship must have a certain discretion; and unless you give me a high class of honorable men, I would not be able to get along without a gratuity, even though you alter the law. You must do two things—create a class of honorable men that will not come to me for a gratuity, and to whom I would not dare to offer a gratuity, and you must change the law to suit the present circumstances.

Q. I have got the best opinion I can from you as to the abuse, and I suppose the best suggestion I can get as to the remedy. I understood you to say, however, in reference to the abuse, that, after the issuing of this circular suggested by the Secretary of the Treasury, you had paid none of this gratuity yourself?—A. Yes.

Q. Since that time the money has been distributed by your subordinates?—A. Yes; by the employes of the ship.

Q. It goes into your books?—A. It goes into our books finally. It goes under the name of "incidental expenses on the wharf," of which there are other expenses besides gratuities. We have no special record of them.

Q. You don't single that out. It is not an item in your account?—A. No, sir. It was up to 1869—up to the time we received the circular that it was illegal and the collector wished it discontinued.

Q. Since that it goes into the aggregate?—A. Yes.

Q. Since that time I understand you to say, in point of fact, no steamer has been discharged without these gratuities being paid to each of the inspectors?—A. I am pretty confident of that.

Q. And I understood you to say that this was done with the knowledge and consent of the customs officer?—A. I did not say that. I said that no steamer had probably left that had not paid this tax, and had not violated the letter of the law in one way and another with the consent of the custom-house officers. We do not call it violating the law.

Q. What do you call it?—A. I can't find a word exactly to express it. Evading the law.

Q. I understood you to say that it is not a specified sum that is paid to these inspectors?—A. I understood it is no specified sum agreed upon between all the steamship lines. It is a fixed sum, I believe, with each line. I mean to say that \$12, or \$15, or \$20 is paid to each officer by a certain line.

Q. Which is the sum paid by your line?—A. We pay \$20 apiece.

Q. Regularly?—A. Yes.

Q. Are you able to state how much the other lines pay?—A. Mr. Williams has stated here \$12, \$15, or \$20. He mentioned to me that they were in the habit of paying \$15.

Q. If I remember his testimony, he did not have a fixed sum?—A. It was casually read to me \$10, \$15, or \$20.

Mr. CASSERLY. He said \$10 or \$12.

Q. You never paid less than \$20 nor more than \$20?—A. Not recently. We used to pay less some years ago.

Q. How long since you have got up to this maximum?—A. It must have been two or three years ago; we came to the conclusion to pay regularly \$20 to each man, because when we paid less we were asked to pay extra for certain little services.

Q. You have not heard of any strike on the part of the inspectors in discharge of the cheap boats?—A. What cheap boats?

Q. These picayune boats that only pay \$12?—A. No, sir.

Q. If they expect \$12 from the Inman line and National line, why don't you reduce your payment to \$12?—A. I suppose the difficulty arises partly from the nature of the cargoes. Some of the Liverpool lines bring large cargoes, which consist largely of bulky goods, soda-ash, and cheap articles, whereas our cargoes consist largely of fancy goods, dry-goods cases, small invoices, which give the officer a great deal more trouble. I believe he has a larger number of permits on our steamer than he has on the several Liverpool lines, although their ships are larger. It is more trouble to discharge one of our steamers than one of the others.

Q. If I understood you in reply to the question of the chairman, the bad effect you deduced from this practice was that of accustoming the inspector to the habit of committing perjury?—A. I don't believe the inspectors consider it so; but that is one of the bad effects; that caused them to make an oath which could only be an oath under certain reservations.

Q. Now the good effects that come from it is that you are facilitated in discharging it?—A. Yes.

Q. Now, if the inspector simply make an affidavit, it is not perjury, it is not anything else that is bad?—A. I suppose it may be bad and still not be perjury.

Q. What sort of an evil is that swearing which is not perjury?—A. I think custom-house swearing is an evil of itself, without perjury.

Q. If you should make a statement, while you are now under oath, accidentally, it would be false swearing, would it not?—A. No, sir; if I did it accidentally, without knowing it.

Q. It would not be false swearing?—A. Yes, but it would not be perjury.

Q. But it would be false swearing?—A. Yes.

Q. And it would not be wrong?—A. It might be and might not, according to the intention.

Q. Your intention is to tell the truth.—A. Yes; you are right.

Q. Then it would not be wrong?—A. That I can't concur in.

Q. And from the false swearing of the inspectors, which you say is not perjury, you have deduced a positive advantage from this practice. But suppose that that too should be relinquished. Then you would get your facilities just as you get them now. The inspector would not have to swear falsely. What would be the remedy then? Would not the remedy be pretty complete?—A. The custom-house officer would be relieved of a great burden, no doubt, and the result would be that a gratuity would become a legal payment of itself, by the fact of itself; that the custom-house officers would be permitted no more to receive it.

Q. Suppose that were so?—A. I should have no objection; seeing that people are placed much more at the mercy of the officer if he should ask \$50 as well as \$20.

Q. Couldn't he now ask you for \$50 just as well as \$20?—A. No, sir.

Q. Why not, if you were disposed to pay it, and he said he would hang back on the breeching if you did not pay, or he should take it into his mind that he would hang back and not furnish you the facilities for less than \$50?—A. It is a supposition, but it never has happened.

Q. What reason have you to suppose that it would happen? If he was allowed to

receive without conclusion, without comment, the \$20, why should he demand more in that case than he demands now?—A. Because it would be legalized—the demand would be legalized.

Q. Excuse me. It would not be a legal demand on you, but it would simply not be illegal for him to take it, or you to pay it.—A. If that was the result, then he could not ask me for more.

Q. Then he would not ask you for more?—A. Not very likely.

Q. Then the \$20 would do you just as much good as it does you now?—A. Yes.

Q. And do nobody any hurt?—A. No.

Q. Would not that be a complete remedy?—A. It would so far as the conscience of the inspector is concerned; but if you consider the gratuity an evil in other respects, it would not remedy that.

Q. Do you consider it evil in other respects?—A. Yes.

Q. In what respect?—A. We are obliged to pay something that is not legal.

Q. Then you want to get rid of the payment of that \$20; is that it?—A. No, sir. The Government might charge \$50 or \$20 or \$100, by making it a legal charge for the services of the custom-house officer, but as soon as it becomes legal he would still expect gratuities.

Q. Do you want now to get rid of the payment of that \$20? Do the steamship companies think it a burden which they think they ought to be relieved of?—A. I can't say it is a burden on us; it is a burden on the country the same as the general-order charge. It is a regular expense of the ship, and it enters into the expense of running the steamers to New York.

Q. Then you think your ship's cargo goes to the American consumer charged with this extra \$20?—A. Yes; ship's cargoes and ship's passengers and all the ship pays is charged that extra \$20.

Q. And if you could be relieved from the payment of that \$20 goods would be cheaper in America?—A. The tendency would be that way, no doubt.

Q. Now about the liquor business; that interested me somewhat. The regulations, I understand you, limit it to two bottles only?—A. I am not sure about that; the quantity, I think, is specified in the circular of the collector, but I am unable to state what quantity; my impression was about two bottles.

Q. When was that circular issued?—A. In the early part of 1869.

Q. Was it this same circular that prohibited the payment of gratuities?—A. Yes.

Q. That limited the liquor to two bottles?—A. I think so.

Q. But the practice is to bring out three?—A. That is the practice on our ships.

Q. How is that liquor distributed?—A. The steward of the ship furnishes it. They take their meals on board ship.

Q. Who take their meals?—A. The custom-house officers.

Q. Take their meals on board ship?—A. Yes.

Q. Dine by themselves?—A. That I am unable to say; either by themselves or with the officers of the ship. I think they dine generally in a room by themselves.

Q. These three inspectors have a dinner provided them by the ship?—A. Yes.

Q. And they have a bottle apiece?—A. They have three bottles each.

Q. Are the bottles opened there, or are they carted off by the inspectors?—A. That I am unable to state from my own knowledge.

Q. Is it not the fact that what liquor is furnished to them is brought up and opened and drank by the inspectors, together with the boatmen?—A. No, sir; they receive their three bottles a day each. Our head steward accounts for every bottle to the company.

By Mr. CASSERLY:

Q. Three bottles a day each?—A. Yes.

Q. How long are you discharging one of your largest ships—the Ianan, for instance?—A. Four or five days—at least, two or three days for a vessel.

By Mr. PRATT:

Q. That is over and above the money gratuity?—A. Yes.

By Mr. STEWART:

Q. I understand that two bottles are in the regulations.—A. That is my impression. I may be mistaken. I have not been able to find the circular.

Q. I think the regulations prohibit your giving anything.—A. I think the circular stated the quantity of liquor to be given to each officer on board.

By Mr. CASSERLY:

Q. You stated that you are from four to five days discharging vessels.—A. I suppose the officers are on board from four to five or six to seven days.

By Mr. PRATT:

Q. And the inspectors have the choice of liquors?—A. Yes.

By Mr. HOWE:

Q. Twenty-one bottles of liquor and \$20 in cash? Is there any regulation as to cigars?—A. No; I believe not.

Q. In speaking of the use of this "bad-order" stamp, I think you said you think the use of them is abused.—A. Yes.

Q. That the carman often gives a receipt, a clear receipt, for the packages, and the merchant finds them stamped with "bad order" when he gets to the public store?—A. Yes.

Q. I want to ask you whether the carman ever takes a package of goods from your vessel for which he does not give a clean receipt?—A. He does when he takes a package which is in bad order; he signs, "in bad order," and makes a remark on the receipt.

Q. Does that ever happen?—A. Certainly.

Q. Does it often happen?—A. There are a few packages in every steamer that come out in bad order, and which are coopered on the wharf, and if there are any in such bad order that something might be taken out we generally call the owner to look at it before we let it go from the dock.

Q. And if you do not send for the owner before you let it go from the dock, do you let the carman take it without giving a receipt for it in "bad order"?—A. I suppose we must. The custom-house officers must send the package away, and we have got to give it to the carmen; but we generally notify the owner to come there, if he is known, to look out, that such and such goods came out in bad order, and to look after them.

Q. Does that often happen?—A. Not often; but it happens once in a while.

Q. Does it often happen that you know the owner of goods?—A. We generally know them.

Q. You are inclined to think still that it would be very much for the interest of the mercantile community here if each steamship line had its own warehouse and were allowed to store all the unclaimed goods they bring over?—A. Yes, sir.

Q. And your great reason for thinking so, if I understand you, is that the merchants would be secure against my abusive charges, because of the interest of the steamship company in their custom?—A. Yes; that is one of the reasons, but not, by any means, the whole. In my first statement I mentioned that the business of quick dispatch was of just as much consequence to the merchant as the item of expense was, and I still adhere to that.

Q. We will consider the question of quick dispatch hereafter. Suppose your company, and the Cunard Company, the Inman Company, the French Company, and every other steamship company, were allowed to store their unclaimed goods, and the control of the collector was removed, and you should be allowed to fix your own charges, what would prevent you from combining and making the charge \$2 a package?—A. I don't believe anybody thinks of removing the control from the collector.

Q. Suppose the control of the collector was removed, would there be any interest in the companies which would prevent their charging \$2 or \$3 a package?—A. I can't answer a supposition which I consider impossible. I can't answer a question which cannot possibly arise; the control of the collector cannot be taken away from those goods.

Q. I admit it cannot. If the control of the collector continued, would the general-order business be any more effectually with the steamship companies than it is now?—A. Not the control of the collector would be more effectual, but our own interests would make it more effectual in satisfying our customers.

Q. But what interest have you in storing general-order goods, unclaimed goods, in your warehouse for 75 cents a package when other steamship companies charged \$1?—A. The consignees of those goods are not unknown to me; regular houses own the great bulk of them; and if, for some reason or other, they have not got their permits in time, it is our interest to take care of them and charge reasonably, so that we may keep their custom. We don't know which goods will come under general-order before we engage them on the other side, and that pay freight.

Q. You think, therefore, that if the Inman line and the other lines charged \$1 a package for storing unclaimed goods which they import, you would still be moved to put your charges down to 75 cents, in order to compete successfully with those lines?—A. Certainly; competition among the lines would effect that very result.

Q. Couldn't you secure the same advantages by reducing your freight—can't you now?—A. Certainly; and we do it.

Q. You can't compete in prices of freight, but you think you would compete in the prices of storage?—A. Yes; we can't do it now when the goods go into Leet & Co.'s store.

Q. You could not compete, then, directly for the storage; you would have to have the monopoly of the storing of unclaimed goods that you bring?—A. Yes; by our line.

Q. That would be secured to you?—A. Of course; otherwise it would be of no object. Each company would have to have their own general-order storing of the goods arriving by their line.

Q. So that no matter what you charged, whether you charged \$1 or \$1.50, if a pack-

age come by your line, it must go into your store-house, although the Cunard line charged only 50 cents for the same kind of goods?—A. That would be the case, certainly.

Q. And you think if you charged 25 cents a package for storage more than the Cunard line, it would transfer the business to the Cunard on the ocean from you?—A. It would have that tendency.

Q. Do you think it would have that effect?—A. It would.

Q. Another advantage you think which would accrue to the distribution of this general-order business would be additional security?—A. Yes.

Q. The additional security would arise from the fact that you would have twenty-four store-keepers to watch the same number of packages which are now watched by four store-keepers?—A. Yes.

Q. Four store-keepers can watch one hundred packages as well as ten can?—A. I doubt it, if as you say goods come out of Leet & Co.'s by six different doors. I really can't see how two store-keepers can watch the goods going into that store. I understand they have two store-keepers and they have goods coming in through six or eight different doors. How can one store-keeper watch all the goods coming out?

Q. I am talking about watching the store when it is closed.—A. The store-keeper is not in the store when it is closed; he closes the store and leaves it. I mean the security against smuggling, taking goods out that are not permitted to go out.

Q. If the watching of two store-keepers in a store is no security they can just as well put in two more, or four more, or ten more?—A. Yes, but they have not done it up to this time.

Q. But they could do it. It is no great necessity for distributing the storage in order to get the watching of an additional number of store-keepers?—A. It would be a great deal better to distribute it for the security of the Government.

Q. Why?—A. Because those stores would not be crowded; it would be the interest of the companies not to have them crowded, and the business is done a great deal more quietly when you have to deal with the goods coming only by one line.

Q. Suppose you have the storage of the unclaimed goods which you bring?—A. We have had it seven years.

Q. Suppose you had it again, wouldn't you still want to get other goods to put into your store, bonded goods for instance?—A. No, sir. We have been in the habit of taking bonded goods imported by our line for convenience so as to save cartage; but we have never laid ourselves out to get bonded goods, such as we had to do for the last two years. That is the only way we could use our bonded warehouse since March, 1870, to drum up bonded goods, and we have succeeded so far as to have more expense the last year than we had made by storage and labor.

Q. But if you had unclaimed goods you would lose also the storage for bonded goods?—A. We should unless we had a very large warehouse. We should not need a larger warehouse if we had only general-order goods.

Q. I understand that your firm does not own the Bremen line?—A. No, sir.

Q. And you do not own the warehouse?—A. Our company, the North German Lloyd, owns the steamers, dock, and warehouse; Oelrich & Co. are the agents of the North German Lloyd.

Q. Oelrichs & Co., of which you are a member, lease these warehouses?—A. No, sir. We only manage them for the North German Lloyd. We have the bonded warehouse in our name.

Q. You were simply the agent of the North German Lloyd?—A. Yes.

Q. Does the company want their warehouse to yield them an income?—A. No, sir; they don't care to have any income; they want to have the use of the docks and the warehouse for their business. It was not expected when they took this business that the company would derive an income; they expected to have greater facilities for carrying on their business, and they did receive a great benefit, which they can't enjoy now, since the general-order system has been changed.

Q. But you still look for an income now?—A. Of course we have the warehouse there; we have to have carmen, private store-keeper, and Government store-keeper, and we have to employ the same men to do the same work, because we are in the hope of having this business restored to us; and that is one of the main reasons why we keep this store open and keep a store-keeper; and we try to get our customers' bonded goods. We have done the business to such an extent as to make a small loss the last year.

Q. You like to have their bonded goods?—A. At present, as I said before, we never solicit bonded goods except the goods coming by our line and which are on the wharf. For instance, where parties want to leave the goods on our dock, we state, "We would rather take your goods into our bonded warehouse, keep them as long as you like at moderate storage than to make us watch them on the wharf." In that way we have taken bonded goods. We consider it a favor to the merchant. We would be under more expense if the store was more crowded, which would of course require more labor. Before 1870 we did not solicit bonded goods at all.

Q. Did you take all that were offered?—A. I am not able to say. I am not the store-keeper myself.

Q. You don't know whether you took all that was offered or not?—A. No, sir.

Q. Laying out of view your company and the Cunard Company, and suppose any decent warehouses in New York were allowed to store unclaimed goods, do you think some of those warehousemen would hesitate to take all the bonded goods offered that they could take safely, and save sufficient room for the unclaimed goods?—A. Of course they would not hesitate to do so.

Q. So that by distributing the general-order goods among quite a number of warehouses you would not be sure of having any more vacant space in the warehouses than you have now?—A. No, sir; but the carmen then would go to five or six or seven stores for the goods which they now have to go to one place, and crowd up the streets, and are delayed longer; whereas if they have to go to twelve different places they would not jam up the streets, and that is one great cause of detention.

Q. You are satisfied about that?—A. Yes. The business of the bonded warehouse is not as heavy; each store-keeper has a great deal of time to attend to general-order goods, much more so than if the general-order goods are concentrated in one store.

Q. What is your theory about distributing the risks on these goods by having them in different places?—A. No more theory than all insurance companies use in the management of their business. All insurance companies try to distribute their risks, not to take too much on one building; the same precaution that would be exercised by every prudent merchant.

Q. Is it the fact that merchants seek to deposit their goods in a good many different places for the purpose of greater security against loss by fire?—A. I think it has been stated so before you by one or more merchants.

Q. But if you have \$100,000 worth of goods, or three thousand packages of goods, and you put them in ten different places, you are subject to ten different risks?—A. Yes.

Q. There are ten chances for you to meet with a loss?—A. Yes; but the loss of three hundred packages in a store is less than three thousand. Three hundred packages lost to a merchant might not stop his business, but the loss of three thousand might.

Q. If they all belonged to one man?—A. Of course, if they all belonged to that particular business. If a man imports twenty-five cases of hosiery to supply his customers and has those twenty-five cases distributed in five different stores, the loss of five or ten cases might not injure him as much as the loss of the whole twenty-five.

Q. Mr. Stewart has not acted on that theory. Hasn't he acted on the theory to get as many goods under one roof as possible?—A. That is a question of storage. In the dry-goods business you have a large number of cases collected together. Mr. Stewart sells a great many goods out of his store. I don't believe he uses his store on Chambers street as a storage place; the bulk of his goods are stored in other places. You never saw boxes in his lofts that are not opened. He has only open boxes, to show the quality of the goods.

Q. Which proves he has more goods than he can get into that store?—A. No; it shows he does not want the boxes there. Why should he want all the goods of that kind—prints, for instance—in his store?

Q. That gentleman who complained of giving a sum of money to get a case of watches, was the case imported by your line?—A. I think not; I think it was another line.

Q. Did you get the impression that the fee was paid to get the case out of the hands of the inspector or get it out of the boat?—A. To get the inspector to give his consent. The case was taken out of the mail-room, landed, and given to the merchant.

Q. You think that is what it was paid for?—A. Yes.

Q. And not to induce the employés of the boat to get the case and send it ashore?—A. No, sir.

Q. Have you any special reason for that conviction?—A. As I have stated before, complaints have come to us from the importers of watches by our steamers. In some cases they have said it was done by our employés—by the purser of the ship—and when we inquired we found that it was not so; that the custom-house officer merely used that as a pretext—said that the purser was not willing to open the mail-room; but really the gratuity went to the officer.

Q. Did not that boat have a permit when she struck the dock to land all her cargo?—A. No, sir. The permits come sometimes the first hour after the ship gets to her dock. The vessel may be detained at quarantine twelve hours, and the captain comes up and enters the ship. From that moment the merchants' entries are being passed, and the very next moment the permits for the valuables come in first. The custom-house officer is authorized to deliver any goods that are permitted, but the general cargo can't be got at, of course; the ship is full up to the hatches, and before we get out some goods those valuables can be got at. From the moment the ship reaches her wharf the ship is anxious to get rid of the valuables, so as to get rid of the risk of carrying them, and therefore it would be very strange if our men should be paid to hasten their delivery.

Q. Don't I understand you to say that you usually get your order to discharge while the ship is lying at quarantine?—A. No, sir; not order to discharge. The ship can be entered while there. As soon as the captain delivers the manifest to the barge officer, he takes a copy of the manifest to the custom-house, and enters the ship, and then the merchants begin entering their goods.

Q. I am talking about the permission to unload the vessel?—A. To unload the ship while she is at quarantine?

Q. Yes.—A. Never.

Q. When do you get it?—A. We take the general order when the forty-eight hours are about expiring.

Q. Not within the forty-eight hours?—A. I stated on a previous examination that during the last year we had really only one case where we did commence short of forty-eight hours.

Q. Haven't you in all cases the general order in your possession, and you act upon it when you please?—A. Maybe we have the general order in our possession, but we never use it. It does not require a general order to get these watches out. They are permitted.

Q. What is the general order but an authority to unload your vessel?—A. We hang up a notice in the custom-house when the ship is entered that she will commence to discharge under general order on such and such a day, and at such an hour, so that the consignees of goods know it.

Q. That is between you and the consignees?—A. Yes, and the custom-house.

Q. But, nevertheless, you did state that you got this general order even while the ship was at quarantine?—A. No, sir; not very often. That has happened once or twice in a year, when the captain came up from quarantine. Lately our ships have been detained a good deal at quarantine by reason of small-pox. I have a recollection of one case that happened within three months. The ship arrived on Friday night or Saturday morning, and the captain came up from quarantine on Friday or Saturday morning and entered the ship, which gave the importers all the facilities to enter their goods, which is as good as if the ship was lying at the dock. The ship did not come up to the dock until Sunday. On Monday we had permits enough to commence discharge, or they could have come in within forty-eight hours, and we could have commenced immediately to discharge, but I think we commenced on Tuesday morning.

Q. Because you had permits; but you had a general order which authorized you to discharge the whole cargo?—A. We had a general order, but it was forty-eight hours after the ship was entered.

Q. Is it not the fact that as soon as you take out a general order, it is a permission to unload your boat?—A. That may be; I think it is a customary thing to take out a general order at once.

Q. When you get that general order you can put the cargo on the dock if you please?—A. Yes, of course.

Q. And you can put the whole cargo out or you can take out part?—A. No, sir; we can't get at all parts at once.

Q. You can discharge any part of it you can get at?—A. Of course.

Q. Now, if you put this case of watches in the mail-room with the mail-bags, they could get at it?—A. Certainly.

Q. And if they had this order which allowed them to discharge the whole cargo, it would authorize them to lay a case of watches on the dock?—A. The order was not in the hands of the officers, I don't believe. If it was, as I said before, the custom-house officer uses it as a pretext to the importer.

Q. I mean if he had gone to the boat, asked them to discharge the case of watches, the boat could have done so?—A. Certainly; but not in consequence of the general order. It requires no general order for a case of watches, because the permit was there, the duty was paid, and the permit was in the hands of the importer that wanted his box of watches.

Q. Then the permit authorized you to put it on the dock?—A. Yes.

Q. If the boat, at the request of the importer, had put the case of watches on the dock, then it would not have been in the custody of the inspector?—A. Yes; but the inspector must give his consent to take any package from the ship; the inspector must give his consent to land.

Q. Not if you have a general order?—A. To be sure. If the importer had come to me I would have taken very good care to have that box put out; but the inspector uses the ignorance of the owner of the box, and makes the pretext that the purser was not ready to open the mail-room, which might be true, for he has to open it; the mail-room is in the hands of the purser, and nobody else can get at it.

Q. You don't know that the inspector in that case used that pretext?—A. No; if the importer knew anything, he could have got his box; the inspector raised the difficulty.

On motion, the committee adjourned to meet at the same place on Wednesday, January 31, 1872, at 10 o'clock a m.

The following letters were received on the 30th of January and 9th of February, and ordered appended to Mr. Schwab's testimony:

NEW YORK, *January 30, 1872.*

DEAR SIR: When examined before your committee on the 26th instant, and questioned as to the remedies I could suggest for the evils complained of, I omitted to state that the enlargement of the free list of our customs tariff, which has recently been proposed in Congress, could, in my opinion, be made to contribute materially to such a result.

If, in selecting additions to the free list, special reference were had to such petty articles as are most liable to be successfully smuggled, and most troublesome to be appraised, such a measure, I am confident, would diminish the temptation to bribery, and would also reduce the pressure of work in the collector's office and the appraiser's store, where the passing of a single package generally takes up as much time as that of a cargo of raw material, or of a large but uniform invoice of manufactured goods.

I am, with high regard, dear sir, your very obedient servant,

G. SCHWAB.

Hon. WM. A. BUCKINGHAM, *Chairman, &c.*

NEW YORK, *February 9, 1872.*

DEAR SIR: My attention has been drawn to the statement made before your committee on the 2d instant, by Mr. James H. Young, custom-house inspector, in which he contradicts my testimony as to the quantity of liquor furnished to the custom-house inspectors while in charge of our steamers, and I find on further investigation that I was mistaken in my statement of this point.

I should have said that we are in the habit of furnishing to the inspectors half a bottle of light wine, at meals, and that we give them besides three bottles of liquor of the kind described in my testimony, and six bottles of beer each day, which are divided between the two or three inspectors, as the case may be.

I respectfully ask the privilege of correcting my testimony accordingly, and remain, with high regard, dear sir, your most obedient servant,

G. SCHWAB.

Hon. WM. A. BUCKINGHAM, *Chairman, &c.*

FIFTH AVENUE HOTEL, NEW YORK, *January 31, 1872.*

The committee met, pursuant to adjournment, at 10 o'clock a. m.

CHARLES BELLOWS, called by the committee, sworn, and examined, testified as follows:

By the CHAIRMAN:

Question. Mr. Bellows, we have a letter from you, in which you complain of having been wronged by a custom house officer. Have you any statement to make?—Answer. I was subpoenaed, I believe, on that particular case, although there are several points I would like to give some testimony on. One of these instances is a case in which we imported certain brandies by the steamer La Fayette from Havre. Said brandies were ordered by the custom-house to a bonded warehouse—a special bonded warehouse. The brandies were discharged in the afternoon, after the leaving of the Government gauger for the day. That afternoon I was waited upon by a party who desired to know if we wished our brandies watched upon the dock. I said we did not. I said those brandies were in charge of the Government. He said it was customary, and he had been employed by a number of parties to watch their brandy before. I told him the Government was good enough for me, and I should look to the Government in case they were missing. Taking precaution, I went to the foot of Morton street, where the La Fayette discharged. I saw these brandies upon the dock; some of them were very valuable, very costly; in fact, the most costly brandies we could procure. I saw the custom-house officers who were in charge. I asked them if it was necessary that we should have a special watchman to protect those goods. They thought not. There were two of them that represented the Government, and they would be relieved at 12 o'clock at night; and the dock being a covered dock, with proper gates and fastenings, they thought the property would be secure. Not satisfied with that, I went on board the ship, saw the captain of the vessel, stated I had been approached in this manner, and asked him if there was any jeopardy. He said he thought the goods were perfectly safe, but that the vessel was released after the discharge of the goods and the

Government receiving them in their charge. I thought I had done all I could to protect the goods, but, when I came to examine the next day, the casks had been robbed, notwithstanding the care. I demanded redress from the officers of the vessel; but they refused to give any redress, from the fact that they were released after the goods were landed. So far in regard to the La Fayette.

Q. How do you know the brandy was not taken before it left the vessel?—A. There was no probability in this case.

Q. Why?—A. The hatches of the steamers are so covered it is very difficult to obtain access to them.

Q. The hatches were opened?—A. Yes; but when they were landed on the dock they were apparently in good order, from the fact of their being packed in cases.

By Mr. STEWART:

Q. Did you examine them at the time they were upon the dock?—A. I did examine them when they were landed upon the dock and they appeared to be in perfect condition in every respect.

By the CHAIRMAN:

Q. How were they when you got them?—A. One cask was robbed, gone from the bung.

By Mr. STEWART:

Q. Did you examine that particular place when you first saw the goods?—A. No; I did not examine that particular place, only examined them as they were in their good condition.

By the CHAIRMAN:

Q. What indication did you find that they were robbed?—A. We found the result.

Q. You found the cask was full?—A. Yes, sir; there was no leakage about it; it was discovered by the examination of the United States gauger, returning so much short. Fortunately the goods had not been ganged; otherwise we would have to pay duty for what was robbed as well as what was there.

Q. Can you say it was not robbed before coming from on board the ship?—A. We don't believe it was.

Q. Do you know?—A. We know from the experience of almost every importer; we know it is customary for parties to be permitted to rob the goods openly on the dock.

Q. Do you know who were permitted to rob this?—A. No, sir; I do not. But I should like to ask a question: Why should we be called upon to employ a special watchman if these goods are in charge of the Government?

By Mr. BAYARD:

Q. Have you any reasons for believing there was collusion between the legal custodians of that property and the people who stole it?—A. I have only the general reasons to govern me, because those cases have happened in many instances which we are aware of.

Q. Give us, as near as you can, the history of similar losses; what they are, how they are supposed to occur, and what causes them.—A. We know it is customary, at least it has been discovered in many instances—the trade are well aware of it by their experience—that the goods have been robbed on the docks, in the face of those who have them in charge. It is only necessary for any gentleman of this committee to be present when this description of goods are landed to discover and learn for himself.

Q. Can you describe to us the mode by which the brandy is abstracted?—A. Taken deliberately; considered very often by the officers in question to be samples and perquisites; more likely to be an officer than any one else.

Q. To what extent do these abstractions of your property while in the custody of the Government officers extend?—A. Somewhere in the neighborhood of five gallons at a time.

Q. To a cask of brandy?—A. Yes, sir.

Q. Under pretense of sampling?—A. Under pretense of sampling.

Q. How much do the regular and legal sample-bottles hold?—A. Well, I should say the samples which are usually taken by the Government, where the Government sample, would be under a quart.

Q. Is it not half a pint or a pint?—A. Under a quart, I should say.

Q. Would not a quart be a very liberal sample indeed?—A. I should think it would.

Q. What are the most expensive?—A. Cost us somewhere in the neighborhood of \$14, less duty, in gold; that is, about \$12.

Q. So that a quart would be three dollars for sampling a single cask?—A. Yes, sir.

Q. Do samples of the expensive brandies reach that extent?—A. Yes, sir.

Q. As a merchant, I will ask you if one half pint would not be a liberal sample for a cask of brandy?—A. I should think it would.

Q. For every purpose of judging of its quality?—A. Where we are called upon by

persons who take samples for Government purposes we would not object to anything that would be reasonable; we would not object to a pint, or maybe a quart.

Q. Has there been an abuse in this system of sampling?—A. Yes, sir; there has.

Q. Under the color of what authority are these samples taken?—A. Under the color of right.

Q. By whom, sir?—A. The officers inspecting those goods. They esteem it a privilege and a right to sample these goods for private purposes.

Q. Is that the custom?—A. Yes, sir; it is a habitual rule.

Q. Do you find it extends throughout the importation of brandy?—A. Yes, sir; throughout the trade.

Q. Are the samples taken more than once?—A. Well, I hardly think they dare to do it more than once, because goods lying on the dock generally go to the Government warehouse, remaining in bond, and, of course, the goods are supposed to be carted off immediately on being landed, subject to the gauger's return.

Q. Are we to understand you that this system exists of taking under pretense of sampling these expensive liquors; that extravagant quantities are drawn from your casks amounting to the serious loss you have mentioned?—A. Yes, sir; precisely.

Q. As much, sometimes, as you say, as five gallons to a cask?—A. Yes, sir.

Q. In the case you mention, where it was discovered that although this party came and offered to watch the goods, and you went and found them in good order, when the United States gauger came to gauge that cask did he find the tin off the bung?—A. I was not present at the time he was there.

Q. How did the officers account to you for this robbery?—A. We took it from the inspector's return, the gauger's return showing the deficiency.

Q. How much was out of that cask?—A. At least five gallons.

Q. What size package was it?—A. A small cask of about thirty gallons.

Q. Was anything said to the officers who made the returns?—A. We have no redress, and no satisfaction of any kind or character.

Q. When did you first discover your loss?—A. Immediately after it went to the bonded warehouse.

Q. Have you discovered that it was found necessary by importers to employ private watchmen to guard their property?—A. It seems to be the custom with the generality of the trade. We never have done it, because it was one of those impositions that we felt aggrieved at.

Q. But when you neglected the precaution and avoided the expense of privately employing watchmen, you found that the loss to your property ensued?—A. Yes, sir.

Q. Let me ask you, then, frankly, do you consider there is either gross neglect of duty or absolute collusion?—A. There is no doubt it is collusion with the officers on duty.

Q. That is the result you have come to?—A. Yes, sir; that is my opinion.

Q. Do these losses take place by day as well as by night?—A. In this case it took place at night.

Q. Have you made complaints of this at the custom-house?—A. In this case, I think, we made no complaints to the custom-house. We simply sought our redress, in the first place, from the agency of the vessel. We felt, at that time, as though the goods were in charge of the ship until they were removed, and discovered that they were not.

Q. You discovered that by law after the goods passed the ship's tackle they are no more responsible?—A. Yes, sir.

By Mr. STEWART:

Q. You say you are of the opinion that there was collusion between the custom-house officer and somebody else to rob your goods?—A. Yes, sir.

Q. Particularly this cask that you speak of, of brandy?—A. If it had been any cask it would have been the same.

Q. Well, this cask.—A. Yes.

Q. You say you did not examine the cask as to its contents when you first saw it?—A. Not as to its contents, but as to its general condition. A person experienced in the importation of those goods can tell without the slightest difficulty, by the appearance of the packages, whether they have been interfered with.

Q. Can you tell by the appearance of a barrel whether it has been interfered with?—A. We can tell by a certain mode of putting the bungs into the casks. If it is not in that way, an examination is needed.

Q. You said you did not examine this one?—A. I examined all of them generally.

Q. Did you examine this particular bung?—A. I presume I did, because it was one of the twenty-five.

Q. You say it was robbed that night; did you examine it the next day, to see if it was different from the day before?—A. No; I did not examine it, but the return from the gauger showed the deficiency.

Q. How do you know it was taken out that night?—A. From general facts; because those things happen so generally.

Q. This particular cask; do not casks frequently come to this country not full?—A. Not very often, unless they leak; because these goods happen to be inexpensive where they are imported from, except a very high article.

Q. Do you think the probability is that the cask was full when it started?—A. I think the probability is it was full when put over the side of the vessel.

Q. From the probabilities, you swear it was robbed that night?—A. Yes, sir.

Q. You swear positively it was robbed that night?—A. I think it was; those persons who have experience in these importations can tell by the general appearance of the package whether the package is likely to be intact or not. If the package leaked, it would show. These packages always come with their proper quantity, unless there is either leakage or robbery. When I left the dock that night I supposed these goods were safe, as the officers assured me they would be there themselves until 12 o'clock, and then they would be relieved by other officers.

Q. Who were those officers?—A. I don't know their names.

Q. What ship was it?—A. The La Fayette, from Havre.

Q. When was this?—A. Almost a year and a half ago; perhaps a little longer.

Q. Who was collector?—A. I think Mr. Grinnell was.

Q. You did not report it to Mr. Grinnell?—A. I did not, sir; and the reason why I did not was simply this: that the ganger having failed to make his return on the afternoon of the day, we were not called upon to pay the duty upon the "outs;" had this occurred after the ganger made his return, we would not only have had to stand the loss of the goods, but to pay the duty also.

Q. And because your cask was not full when you got it, you think it must be very certain that the brandy was taken that night?—A. The evidence of the case is in favor of my statement.

Q. What evidence have you got besides what you have stated?—A. The evidence of the loss. My loss is not a single loss, but it is a loss which every man who imports this species of goods is compelled to submit to, almost upon every importation he makes. I specify this particular case because the particular case happens to be uppermost.

Q. Do you know that that kind of goods are more liable to be robbed than most anything else in small quantities—whisky, brandy, cigars, and so on; every one is liable to take hold of them?—A. It may be, although there is not that liability, in consequence of the storage of these goods on board the vessel; these being wet goods, are not stowed any place except in the hold; not on top, because if any goods were stowed under, and they on top, and they should leak, it would damage the other goods.

Q. Do you know the inspectors on guard that night are still in the service of the Government? A. No, sir; I do not know; I would not know them if I should see them.

Q. Can you fix the date when that steamer came in?—A. Yes, sir; I could if I was in my office.

Q. You think it is something over eighteen month ago?—A. It is all of that.

Q. What was the value of that five gallons of brandy?—A. Probably not at the time more than \$1 a gallon, fortunately for us, because the same invoice contained goods of an expensive character.

Q. Do the inspectors have the permit?—A. They have the permit to send the goods to the bonded warehouse.

Q. Did that show what the character of the goods was?—A. Yes, sir.

Q. If the inspectors had opened it with the invoice before them, they were not very sharp to open a poor cask?—A. Not the invoice; they simply have the permit of so many packages; they have nothing in their possession to show the character of the business.

Q. They have nothing to guess from which was best and which not?—A. No, sir. I should not have come before the committee with any such statement as this for the amount of value. It is simply because the trade suffers to such an immense extent from this very cause.

Q. You have been importing brandies for how many years?—A. More or less importing the last five years.

Q. What other case did you lose on the dock?—A. We never sustained as large a loss in any one instance, although we have sustained moderate losses—not considerable enough to make any claim.

Q. Can you name some one now?—A. Not particularly, now; I won't pretend to name any particular one case; on every invoice we submit to more or less loss.

Q. You find your casks are not entirely full?—A. Yes, sir.

Q. And the only place the loss can occur is on the dock?—A. On the dock—of that character of goods.

Q. It could not be in putting it in?—A. Not very likely, sir.

Q. How much was the next biggest loss?—A. We frequently have our packages lose two gallons at a time; there is hardly an importation that we make that we do not lose. As I stated before, the reason I mention this particular case is because it happened to be the largest, and because it happened to be the general custom, from which all our brethren in the trade suffer in the same manner.

Q. A general custom to have a deficiency in the amount of the casks?—A. Goods taken deliberately from the dock, not only in the face of the police, but in the face of the officers.

Q. Give us an instance.—A. The trade suffers generally.

Q. Any case you have heard of?—A. Frequent cases. I do not pretend to give any particular case.

Q. One actual case is worth four hundred in general custom?

Mr. BAYARD. That is your opinion; it is not mine.

Mr. CASSERLY. I dissent, too, from any such statement.

WITNESS. I give my own particular case, and that is all I came prepared to answer.

By Mr. STEWART:

Q. That is all you can answer?—A. I give you the results in the general custom of the trade.

Q. Some eighteen months ago you lost five gallons?—A. Yes, sir.

By Mr. PRATT:

Q. I understand you to say you have been importing brandy for the last five years?—A. Yes, sir—brandies particularly.

Q. The importation you speak of was from Havre, by the La Fayette?—A. Yes, sir.

Q. Where were those brandies manufactured?—A. Cognac.

Q. How far in the interior?—A. Some distance to the south.

Q. What evidence have you that when your casks were taken on board the La Fayette at Havre they were full, and had not been tampered with?—A. Of course we have no particular evidence, except the good condition of the packages on the dock. People who are in the habit of robbing packages seldom take the precaution to close them properly. In this particular case I examined the goods on the dock, and saw them in proper condition at the time they were landed.

Q. Is there not an opportunity when bulk is being broken and liquors are in the act of being taken out of the vessel and put upon the dock of their being tampered with and robbed?—A. Not on board the vessel; it must be done after they leave the vessel.

Q. Why, necessarily, must that be so?—A. Because they come out so rapidly they are not left upon the deck of the vessel; they are immediately landed upon the dock.

Q. In this particular importation, how many casks had you?—A. About twenty-five.

Q. Did you examine every cask and see it was right?—A. I looked at every cask, from the fact that I had been asked if I wished to have a watchman; I went myself and examined the casks as they were upon the dock.

Q. Did you examine each bung to see that it was undisturbed?—A. I did, sir.

Q. Do you know the party who approached you and wished to become the watchman of your private property?—A. No, sir; but I can find his name very easy.

Q. Have you ever seen him before, or since?—A. No, sir.

Q. This was in the afternoon?—A. Yes, sir; about 4 o'clock.

Q. You saw your casks of brandy again the next morning?—A. No. I saw them only that night, and supposed they were safe under the Government officer and the watch of the vessel, and took no notice till the return was made by the Government gauger.

Q. Where did you see them then?—A. We did not look at them then; they went to the Government warehouse in their charge.

Q. How did you find the loss?—A. By the gauger's return.

Q. Did you never look in the Government warehouse to see this cask, whether it had been tampered with?—A. No, sir.

Q. You have nothing to fix the charge of the spoliation of your property but the gauger's return, and the presumption that the cask was full when it left Havre?—A. We should, perhaps, have considered ourselves in error had there not been this custom of robbing the goods. Most people importing much employ special watchmen to protect their goods. In this case we declined, because we did not think it was exactly the thing to take the unusual trouble to examine the goods on the dock. I saw the officers, saw the dock was a locked dock, lighted by gas, and went to the captain and he said there was no danger, as the officers were in charge.

Q. Is that a precaution you uniformly take in regard to your importations?—A. No, sir.

Q. Why did you take the precaution at this particular time?—A. Because I was approached. The order is simply this: that the United States gauger should be on

hand to gauge the packages immediately they are landed over the side of the vessel, that they may be transported to the Government warehouse. In this case he was not on hand, he neglected his duty; the goods were on the dock during his official hours; they were left there, and consequently subjected to this loss.

By Mr. STEWART:

Q. Had they been passed by the inspector at the time you saw them?—A. He had them in charge on the dock, awaiting the United States examination; consequently they could not be moved from the dock.

By Mr. BAYARD:

Q. What time of day did you go down and see them?—A. Six o'clock.

By Mr. PRATT:

Q. Where was this?—A. Foot of Morton street—the French pier.

Q. Is this dock inclosed?—A. Yes, sir; and not only inclosed, but circular gas-lights in different parts of the roof; a locked dock, sir.

Q. Any person admitted except Government officers during the night?—A. No, sir.

Q. From the circumstances, you infer that it was done by custom-house officials?—A. Yes, sir.

By Mr. CASSERLY:

Q. Or collusion?—A. Or by collusion.

By Mr. PRATT:

Q. If none is admitted, how came it to be by collusion?—A. The custom-house officers could admit whom they pleased.

Q. Were any of the other casks touched except this one, out of the twenty-five?—A. No, sir.

Q. You say it was customary for other importers to have private watchmen when their goods remain on the dock over night?—A. Yes, sir; very frequently people who have large importations consider it a saving to employ a private watchman.

Q. Have you employed a private watchman since that time?—A. No, sir; and I suppose the reason is that the goods have been immediately transported from the dock to the Government warehouse, and did not lie on the dock over night.

Q. Is it the practice to sample every cask?—A. No, sir.

Q. How many casks in this importation were sampled?—A. The Government requires no samples from these packages.

Q. How does the Government ascertain what the quality of liquor is?—A. The United States gauger makes his return of not only the quantity, but the strength.

By Mr. CASSERLY:

Q. Of the proof?—A. Of the proof.

By Mr. STEWART:

Q. Tests each cask?—A. Yes, sir.

Q. Gauges every cask?—A. Yes; not only gauges each cask, but takes the strength. The duty is increased by the additional strength.

By Mr. PRATT:

Q. Is it not sampled by sending samples to the appraiser's office?—A. No, sir.

Q. Is not that customary?—A. No, sir; these goods are in charge of the Government.

Q. Your casks are always tested by the gauger?—A. Yes, sir.

Q. Does he not draw up a certain quantity for the purpose of testing the strength of the liquor?—A. Yes, sir; but immediately turns it back again.

Q. Are you sure?—A. Yes, sir; generally, at least.

By Mr. CASSERLY:

Q. He applied his hydrometer?—A. Yes, sir.

By Mr. PRATT:

Q. I understood you to say you were subjected to a certain amount of loss by sampling; that a certain quantity is drawn off and retained by the Government sampler?—A. You misunderstand me; there is no occasion for that.

Q. What authority have you for saying that other importers of liquor have been subjected to a similar loss with you?—A. From their constant complaint.

Q. Constant complaints to you?—A. One among another frequently report their losses and misfortunes they have to submit to.

Q. Report to you?—A. As an incidental circumstance. I have authority for being reported to, but incidentally.

Q. Can you give the names of any persons who have sustained losses similar to

this?—A. Yes, sir. P. W. Engs & Sons, Ives, Beecher & Co., and you may subpoena any gentleman engaged in the business, and he will give you his experience sadly, if the goods remain on the dock over night.

By Mr. STEWART:

Q. Are there not a good many dock thieves around there that it is difficult to watch?—A. Why then should the Government have watchmen?

Q. Are there not a good many dock thieves?—A. Yes; but how would they be supposed to have any advantage, if the officers are faithful?

Q. Do not faithful men sometimes get robbed?—A. Well, they had not ought to, if their eyes are open, unless they know it.

Q. Do they not, sir?—A. I have not that experience; I dare say faithful men may be robbed.

Q. Men that try to do their duty have been robbed?—A. We have had so many cases of pecuniary losses from the effects of these goods that I am glad to be able to make testimony.

Q. I was asking you whether some people do not get robbed sometimes when they were trying to do their duty?—A. I do not see how I can answer that exactly, having no experience of the robbery.

Q. Is not the wharf a long wharf there, two or three hundred feet long, where this unloading goes on?—A. Yes, sir.

Q. And are there not a great many people on the wharf during the day?—A. This was night-time; the day-time there may be.

Q. You swear it was done after night?—A. Yes, sir; because when I went to the dock I arrived there, perhaps, between six and seven in the evening; it was just approaching dark, and when I left the ship's side it was quite dark; the dock was then lighted, and the night officers had just come on duty, and the ship was just putting its watch on the dock in order to watch these goods.

Q. Do you wish to swear positively that liquor was in there when you were in there at 6 o'clock?—A. Yes, sir; to the best of my knowledge and belief.

Q. What evidence have you of that?—A. The facts I have already stated; the condition the casks were in when I looked at them, and the report of the gauger afterward. The casks were in perfect condition when I saw them.

Q. And must have been necessarily full?—A. Yes, sir. If there was leakage they would have shown evidence of the leakage.

Q. Suppose it had been drawn out before it got there?—A. Well, sir.

Q. Suppose it had never been put in?—A. It is not very likely it was not put in; it is not customary.

Q. Did you see the packages next morning?—A. No, sir; did not see them after that night.

Q. Still you are willing to swear it was done that night?—A. Yes, sir; the gauger's evidence is sufficient.

Q. When did you get that?—A. Possibly the next day; I think likely.

Q. Nobody was there but the officers that night?—A. No person had a right to be, according to rule.

Q. Do you say they keep these dock thieves off when they do the best they can?—A. I do not say so, sir. These packages were directly by the officer's bunk, on the wharf directly by the officer's office; they could not have been tampered with—except by collusion with the officers; they were not on the end or front of the dock, or on the opposite side, but they were *here*.

By Mr. PRATT:

Q. If, as you suppose, this abstraction was made by a custom-house official, or by collusion with them, how does it happen that the most inferior liquors in your whole importation should be drawn off?—A. Accidental; they would not have taken the poorest, if they had known the best.

Q. Was there nothing in the permit, or the marks of the cask, that indicated the quality of the liquor?—A. Nothing on the permit, but on the casks there was.

Q. Could they not detect from the marks on the casks whether it was inferior or good quality?—A. They would not have known it.

Q. Not a custom-house official?—A. No; I don't suppose he would.

By Mr. CASSERLY:

Q. I understand you to say that in consequence of the approaches made to you by the Government officials—A. Not by the Government officials.

Q. On behalf of the Government officials?—A. I did not say that. In consequence of the approach.

Q. In regard to an extra watchman?—A. Yes, sir.

Q. You went down to the ship to look at these packages?—A. Yes, sir.

Q. For what purpose did you go down to look at these packages?—A. To see that

they were in good condition, and asked the question if they were safe without the expense of an extra watchman privately.

Q. Did you look at them?—A. I did, sir.

Q. For the purpose of ascertaining whether they were in good condition at that time?—A. I did, sir.

Q. Now, you have been questioned a great deal as to whether you looked at a particular bung. Was it necessary for you to look at any particular bung at that time?—

A. Not necessarily to look at any particular one.

Q. If there had been anything wrong with any of those packages would it or not have attracted your attention?—A. It would, sir, undoubtedly.

Q. Suppose, for instance, that any of the packages showed round the bung appearances of having been opened, is it possible that you could have failed to see it?—A. No, sir; it could not have failed.

Q. Now, you speak of this brandy being all cased?—A. Not all cased; the most expensive had been cased. The cases are taken off when the brandy is landed for the purpose of being gauged.

Q. Were these packages divested of their cases?—A. Yes, sir.

Q. What is the general appearance of a case of brandy, or of the cask after the case is taken off, when they are in good order?—A. The general appearance is its neatness, and its order, and the manner in which the bung is placed in the cask; the bung, although round, still the grain of the bung usually runs with the grain of the cask.

Q. Are brandy casks particularly well made, or otherwise?—A. Particularly well made, sir.

Q. If you have anything to state as to the care with which the bung is inserted, not only as to the grain, but the level of it, state it?—A. The bung of the cask is always placed level with the wood; in order to have it in its proper condition, it is usually surrounded by a piece of cloth material.

Q. Like a washer?—A. Yes; fitted in perfectly and scraped closely, so the appearance of the cask with the bung in is almost the same as the appearance of the side of the cask without a bung.

Q. So the joint is not only perfect, but almost disappears?—A. Precisely. In some cases certain parties mark with letters across the bung certain letters, or their initials, or the initial of the person receiving the goods, so that these grooves are compelled to fit in.

Q. Just like a name written across the sealing wax on a letter?—A. Precisely.

Q. Whenever a cask with a bung so inserted, as you have described, is tampered with at the bung, would you have any difficulty in detecting it at sight?—A. In those cases they are generally put in without any reference to the condition; a person in haste would naturally put it in even, though it was round any way. A United States ganger will generally twist it and put it back in its proper place.

Q. If the bung is taken out at night would significant appearances be still stronger?—A. That I cannot say.

Q. I mean for the purpose of theft? Would the signs be more evident than even if the stealing was done in the day-time?—A. I should suppose so, because those things being done rapidly are never done carefully.

Q. Now you have been questioned a good deal as to some particular instance either in regard to the quantity of liquor in these packages or in regard to what you have understood from those in the same business is the extent of their suffering from these practices. Now, let me ask you if, in the course of your business, you find that your invoices of brandy come, as a rule, in good order, and with the contents according to the invoice; do you, as a merchant, act upon that experience in the course of your business?—A. Yes, sir.

Q. Act without hesitation?—A. Without hesitation. These goods generally go under a bonded warehouse, are transferred immediately after being landed, and there is less likelihood of anything being taken than if they remained over night.

Q. I am speaking in regard to your statement as to the condition your invoices are coming over the ship's side, whether the package contains what the invoice requires.

—A. We seldom make a comparison with the invoice from the fact that the package being generally nearly full we seldom have any reason to make any complaint; it gives us the general figures.

Q. Is it the course of your business in this brandy trade of yours that your packages that arrive here in the ship are delivered over the ship's side, according to invoice?—

A. Yes, sir.

Q. And that is the result of the course of your business upon which you, in your business, act without any hesitation?—A. Yes, sir.

Q. You buy and you sell upon that theory?—A. Yes, sir.

Q. You have found, therefore, in the course of your business, that to have been the result in regard to your importations of brandy, that the packages as to contents and quality are according to invoice?—A. Yes, sir.

Q. Do I understand you to say that since you have succeeded in getting your goods

to warehouse without allowing them to remain on the dock over night your losses have diminished or have disappeared?—A. Have disappeared, sir. It arises from this circumstance, possibly, that we have our own cartman, for whom we have given bonds, who has the privilege of riding these goods to warehouse; consequently, being at our own charge for watching these goods from the time they are landed and immediately carrying them, after they have been gauged, from the dock to the warehouse.

Q. That right or privilege—A. That privilege clears us from losses.

Q. That right or privilege of having your own cartman is under one of the rules of the custom-house, as approved by the Secretary of the Treasury?—A. Yes, sir.

Q. You have also been questioned in regard to what particular houses you have known to complain of similar losses. Now, sir, let me ask you if in your business you do not arrive at certain conclusions upon the common understanding of persons in the same trade as, for instance, the selling or going prices of your goods?

Mr. STEWART. I object to that course of examination if this thing is not to be traced up. I say that to prove a general understanding is no proof at all. If the object is to prove that he has heard a great many men say that this thing is not so, I don't think that is the kind of testimony this committee ought to take unless they are going to inquire of these men. We traced the case of Mr. Tileston round and found, when we came to the man, he was not an inspector.

Mr. CASSERLY. In that particular case.

Mr. BAYARD. If you think you will make the people of this country believe that Mr. Tileston was not in the habit of paying sums to inspectors to keep his goods out of general order, I think you will fail. I believe he was in the habit of paying it, and that the public will believe this, although you did bring it down by his clerk and himself that this man was not an inspector.

By Mr. CASSERLY:

Q. You have also been questioned in regard to what particular houses you have known to complain of similar losses. Now, sir, let me ask you if, in your business, you do not arrive at certain conclusions upon the common understanding of persons in the same trade, as, for instance, the selling or going price of goods?—A. Yes, sir.

Q. Does the statement which you have made as to the sufferings of others in the same business from losses similar to your own rest upon the same known general understanding?—A. Yes, sir.

Q. How many firms known to you are engaged in the business of importing brandies?—A. In number?

Q. Yes.—A. O, I should think there are twenty-five or thirty, perhaps more, without making any actual count; in fact, I know almost every importer in the business.

By Mr. STEWART:

Q. Do you charge the officers who had charge of the dock the time your goods were upon it with collusion to defraud you by the fact that you know that the liquor was in at night, and not in in the morning, upon general principles?—A. Upon general principles I should certainly say there was collusion; I can't say that positively, not being present; if I could swear positively to any individual, of course, I would be willing to identify him.

Q. Do you swear positively that liquor was taken out at night?—A. Yes, sir; to the best of my knowledge and belief.

Q. What knowledge have you?—A. The result.

Q. You did not see the cask in the morning?—A. No, sir, but we had the return.

Q. You did not test the cask that night to see if it was full?—A. No, sir; I should not have been allowed to do so.

Q. Could you not thump the cask?—A. There would have been no indication resulting, even if there were ten gallons out.

Q. So you had no means of knowing it to be full, except your general supposition that it ought to have been full?—A. Yes, sir.

Q. All you know is that when the gauger made his return, he made the return so many gallons short?—A. Yes, sir.

Q. And it was upon general principles that you charge that upon the officers?—A. Yes, sir. Why should I have been approached with regard to having a special watchman if there was no special fear?

Q. Don't a great many of the importers employ special watchmen?—A. Yes, sir; in this trade they do.

Q. It would not have been unusual, then?—A. No, sir; persons in the trade do, having goods on the dock all night.

Q. Would it be unlikely for a person employed in such service before to go to persons having goods on the dock?—A. No, sir; but if the Government officials are faithful why should any be required?

Q. But you say men are frequently employed?—A. Yes, sir.

Q. To keep off dock thieves and everything else, that thing is done?—A. Yes, sir; where goods come by sailing-vessels.

Q. Is it unnatural that such men should solicit that kind of employment?—A. No, sir, not one way, but they might attempt collusion with others, in case the parties did not employ them.

Q. You don't think they are a very honest set of fellows employed to do this watching then?—A. I would just as soon be without them.

Q. Do you know whether any of the merchants had any watchmen on the dock that night?—A. Yes, sir.

Q. Watching somebody else's goods?—A. Yes; the party who applied to me had been employed to watch the goods of another party.

Q. Who was he employed by?—A. P. M. Engs & Sons.

Q. He was on the dock that night?—A. Supposed to be on the dock.

Q. How do you know that this watchman was not the identical fellow that did it?—A. I don't know, sir.

Q. Is it not quite as likely?—A. How could he do it if the Government officers were on the spot?

Q. Is it not a pretty large place?—A. These goods were directly at the door of the Government officers—directly around them—had then look on these before they could see anything else.

Q. Could they watch the whole dock from one place?—A. No, sir; it was not necessary in order to see these.

Q. Might not the officer be in some place else?—A. It would take some time to draw five gallons of brandy, and even if the officer had walked to the other side of the dock, it would have taken longer than that.

Q. They might have caught him asleep?—A. Possibly.

Q. Then it might be some person besides the Government officer?—A. It is taken for granted that nobody is there except the officers and the persons employed to watch the goods.

Q. Then Engs & Co. might have been the cause of your misfortune?—A. I cannot answer for them.

By Mr. CASSERLY:

Q. Senator Stewart asked you this question: "So you had no means of knowing the cask was full except your general supposition that it ought to have been full?" to which you answered, "Yes." Did you intend to give such an answer to that question?—A. I intended to convey the same meaning that I did in the first place, stating that having examined the goods on the wharf, they appeared, to my best knowledge and belief, in perfect condition. Of course it is impossible for me to say that there was not something out, although the appearance of the casks would indicate that they were in perfect condition.

Q. Had there been anything about any of the parcels to indicate that the casks were not full, would you or would you not be likely to notice it?—A. I would have likely noticed it without any kind of doubt.

Q. Did you notice anything of the kind?—A. No, sir.

Q. As those casks then appeared to you upon your examination of them, would you or would you not have been willing to buy them as being in good order and containing what they purported to contain by the invoice?—A. It is always customary.

Q. Just answer that question.—A. It will be impossible to answer that question, because some packages contain more and some less.

Q. I will put the question in a little different shape. Would you or would you not have been willing to buy them as packets in good order?—A. Yes, sir.

Q. I understand you to say that casks sometimes contain more or less.—A. Sometimes larger, sometimes smaller casks.

Q. More or less than contained in the invoice?—A. No, sir; not many would likely contain less. There may be different-sized packages, but the cask seldom contains what the invoice calls for, because there will be an absorption by the wood a certain percentage.

Q. Is that generally pretty well ascertained in your business?—A. Yes, sir; generally from a half a gallon to a gallon by absorption.

Q. According to the size of the package?—A. According to the size of the package.

Q. Do you mean to say that what you have stated as to the condition of those casks or the abstraction from one of them of five gallons rests upon your mere general supposition, or upon the facts that you have already stated in the course of your testimony?—A. Upon the result, the packages being apparently unmolested; the gaugers returning this one short. If there had been any evidence of leakage or anything of that sort it would have shown itself.

By the CHAIRMAN:

Q. You said you would be willing to buy the casks as in good order?—A. Yes, sir.

Q. Do you ever make purchases of brandy or other spirits as in good order unless the casks are gauged?—A. Always gauged; we never purchase them except being gauged.

Q. Then you would not have bought?—A. Without being gauged?

Q. Even though you would have bought them as in good order?—A. Not without being gauged.

By Mr. CASSERLY:

Q. That is because you buy and pay for— A. Buy and pay for so many gallons.

Q. In each package?—A. In each package.

By Mr. STEWART:

Q. Do I understand you to say you could tell from your examination whether the casks were full or not?—A. The general appearance was that they were full and in good condition.

Q. Did you not say a little while ago you had no opportunity of testing whether they were full, and that rapping would not indicate anything?—A. It is customary to import these packages full.

Q. Had you any opportunity of ascertaining that night when you went there?—A. The general supposition would be they were full from their apparent condition. It would be quite natural to suppose that they were full from their appearance at that period.

Q. Do you wish to be understood that you made any examination that night, from which you could swear they were full or not full?—A. Except the general appearance. I could not make any other examination than that the appearance of the packages showed that they were in perfect condition.

Q. Did it show they were full?—A. It would be impossible to tell that.

Q. Did it not show that?—A. It would be impossible to tell what the contents were. They indicated they were in perfect condition.

Q. Did they indicate they were full?—A. They indicated that they were full by their general appearance.

Q. Supposing it had five gallons out of it, how would it have been different?—A. Its general appearance would have shown, possibly, the abstraction; but if this package had been tampered with prior to my seeing it, it would have shown evidence, possibly, of moisture around the bung, or the displacement around the bung. Persons in a hurry never put things in their proper place. There is an order about this thing.

Q. Suppose that they never were put in at all?—A. We cannot suppose that.

Q. Would there have been any difference in appearance if the liquor had not been put in there originally?—A. No, sir.

Q. Suppose the bung had been taken out and put in by an expert, then there would have been no difference?—A. No, sir; except it might have shown the moisture.

Q. If taken out a month before and put in by an expert?—A. It would not have shown.

Q. It went through a portion of France before it got here?—A. Yes, sir.

Q. Are you perfectly certain there are no experts there?—A. It is not probable that it might have been done there. These things are seldom done at home.

Q. How much did the cask hold?—A. I think thirty gallons was the original quantity.

Q. Was it a new or old cask?—A. A new cask.

Q. Don't a new cask absorb more than an old one?—A. Yes, sir.

Q. And you don't keep high-class brandies in a new cask?—A. Yes, sir. From the time they are shipped in France till they arrive here, it is not probably six weeks' time, not that, so the absorption cannot naturally be very large.

Q. Suppose it had been put up some months?—A. That is not customary. The orders are executed as they are received.

Q. In a new cask?—A. Yes. A thirty-gallon cask might absorb from a half a gallon to a gallon, according to the porous condition of the wood, but seldom more than half a gallon.

Q. Don't they sometimes absorb two gallons?—A. O, no, sir; that would be a large percentage. Goods lying two or three years might absorb two or three or three and a half gallons, according to the size of the package.

By Mr. PRATT:

Q. You spoke of being acquainted with twenty-five or thirty houses in this city engaged in the same business with yourself in the importation of liquors. Have you heard from these several houses complaints similar to that which you make here to-day?—A. Frequently; but, of course, I am not prepared to specify any particular individual circumstance, but that is the general feeling of the trade; the general result of the trade.

Q. When you speak of the general feeling of the trade you mean that this is the general expression of all these houses engaged in the importation of liquors?—A. Yes, sir; that they are more or less subjected to such loss.

Q. These docks are public highways upon which the goods are landed?—A. This

dock—you might call it a private dock, belonging to a private company, leased by them and under their own locks.

Q. Have the inspectors any power to keep out citizens from using the dock?—A. I cannot answer so far as the duty of the inspector is concerned.

Q. These goods of yours, had they been discharged on a permit?—A. On a permit; yes, sir; what we call a bonded-warehouse permit. We make application on the arrival of the goods for warehousing, and this warehouse permit was a charge of the inspectors. The goods had been landed on the dock under this warehouse permit, and the United States gauger not being present at the time they were landed, consequently they remained over night.

Q. So that you complain that you, as the importer, had no control over them?—A. No control of the goods whatever.

Q. That they were exclusively under the control of the custom-house officials?—A. Yes, sir; when they were on the dock.

Q. Had the permit been to send them to your own store for consumption, then they would have become your own property and you would have had to have guarded them?—

A. Our own property, and we would have immediately taken them from the dock; but those goods could not be landed in that way, the Government requiring a deposit far in excess of the amount of duty that could possibly be required.

Q. When you speak of other parties having employed private watchmen to protect their goods over night on the dock, is it not possible that those goods had been permitted to be sent to their own stores, so that they were exclusively under their own control after they had been inspected and gauged?—A. No; because it is not customary to pay the duties on such goods as that.

Q. They generally go into bond upon arrival?—A. They generally go into bond; they are sold in bond as a general thing, withdrawn as necessity requires.

Q. Did I understand you to say whether, after this cask had been sent to a bonded warehouse, you ever inspected it for the purpose of seeing whether the bung had been interfered with?—A. No, sir; we could not have told that, because they are gauged on the dock by the United States officer.

Q. Are samples taken there?—A. No; he tests the strength by the hydrometer and returns it to the bung generally, and an amount is taken out with what we call a "thief"—a tin instrument—and then returned to the vessel.

By Mr. CASSERLY:

Q. Since you have made it a practice to get your liquor at the bonded warehouse without leaving them all night on the dock, have you had occasion to complain of these losses?—A. No, sir.

Q. Not in any instance?—No, sir.

Q. In the course of your business have you found that the packages of brandy imported by you as they come over the ship's side contained what they purported to contain, as to quality and quantity, less the ordinary percentage for absorption?—A. Yes, sir.

By Mr. BAYARD:

Q. You informed the committee that you had suffered by the exaction from you of an undue price for the general-order charge, and also by losses?—A. Yes, sir.

Q. I believe that occurred in relation to a cask of brandy?—A. Yes, sir.

Q. State that case to us precisely.—A. You want the full particulars of the case, how it came into the general order, or the result of its being there?

Q. Perhaps if you would give it from the beginning— A. In the month of July last the bark Proteus arrived from Charente. We had consigned to ourselves one hundred cases of brandy known by the name of Martel. The brandy went to the United States bonded warehouse by an application, and it was only after the vessel left that we discovered that the inspector had returned to the custom-house authorities ninety-nine cases instead of one hundred. The vessel having gone to sea, we had no claim against her, the freight having been paid—paid before we discovered the loss. In paying the duty we claimed we were not entitled to pay the duty on the one hundred, as ninety-nine only had been returned by the inspector. The collector, Mr. Clinch, stated that the certified invoice calling for one hundred casks, the bill of lading calling for one hundred casks, it was necessary or naturally supposed that one hundred had been shipped by the vessel and brought to its destination, and, perhaps, gone somewhere, they could not tell where, and unless we could prove that the case of brandy had been short-shipped that we should be liable for the amount of duty. Of course we succumbed and paid the duty on the whole, receiving but ninety-nine instead of one hundred. I instructed the young man to watch the arrival of the Proteus, intending to libel the vessel for the package if it should not be forthcoming. We sent our bill for damage to the agent, and upon her arrival they made investigation and discovered that there was one case remaining over, not of our mark, but of another party having five hundred. Another person had received five hundred, and certified to the receipt of five hundred, leaving one

package of their mark over. Naturally, we supposed our package must have become mingled with the five hundred, they having the five hundred. This was not our mark, and we could not claim it. The missing package was searched up. The other party having five hundred, of course this one went under general order, there being no claimant. The arrival of this vessel brought this matter to life again, and we sued for this case and found that it had gone under general order. Supposing that we were entitled to the package, the other party having received his full complement, the package was tendered to us. We sent to the deputy collector; he gave us authority to receive it. Mr. James gave us authority to receive it on the back of our permit; and, sending to the general warehouse, they made some hesitation about delivering the packages, but, finding it was obligatory upon them, they rendered a bill, prior to the delivery of the package, of \$4 for storage, being 50 cents turning in, 50 cents turning out, 50 cents labor, making \$4. We paid the bill when the case came into our warehouse. I had it opened in my presence, and found there were but six bottles in the case.

Q. What were the original contents?—A. Twelve. I immediately notified the storekeeper that not only unless they made restitution of the overcharge, but also paid for the abstraction, I would at once report them, not only to the collector and Secretary of the Treasury, but to this committee. The next morning one of the parties came down and proposed to make a settlement. I sent to Mr. James to know what the storage should have been legally, or according to custom. Mr. James, upon application there, sent us a memorandum, that a case should have been 6 cents, 6 cents labor, and 6 cents turning out; that would make in all 67 cents, for which we were charged \$4 and got half a case of brandy. The party proposed to refund the amount, which I did not receive, as they did not want to pay for the brandy. The next day, having been subpoenaed here, the party came down and paid for the amount of the brandy and refunded the excessive charge. The ordinary charge, in ordinary warehouses, would be 3 cents to each per month.

Q. Mr. James fixed upon 6 cents and 6 cents?—A. Yes, sir.

Q. And these parties charged you 50 cents and 50 cents?—A. Yes, sir.

Q. They charged you labor twice?—A. Fifty turning in and 50 turning out.

Q. A dollar labor?—A. Yes, sir.

Q. Upon a box you have done for 6 cents?—A. Yes, sir.

Q. Since you threatened to refer this matter to the committee the matter has been settled?—A. Yes, sir; it would not have been unless it had come to this committee.

By Mr. PRATT:

Q. When did this settlement take place?—A. The 23d of January.

Q. What was the size and weight of that case?—A. I should think about 18 inches by about 15 inches, and about 6 inches in height, or 8 inches.

Q. Was there any charge in their bill for cartage?—A. No, sir.

Q. It had been carted to their store?—A. Well, I suppose it had been carted.

Q. And they had paid for the cartage?—A. No charge for cartage.

Q. Have you got the bill there?—A. Yes, sir.

Q. Let me look at it. [Paper handed by witness.] I see there is a part of this torn off.—A. That was the receipt in the first place.

Q. There is one charge torn off?—A. That means labor, I suppose.

Q. Do you know whether it is labor, or whether it is cartage?—A. It is labor, I guess.

Q. How do you know that?—A. Because I saw there 50 and 50.

Q. What would have been the cartage upon that case to the general-order store, according to the customary rates?—A. Equivalent to the general-order store. I suppose that would have been 50 cents.

Q. How do you know that 3 cents was the customary rate for storage?—A. That is what we pay, sir.

Q. General-order store?—A. Not general order; 6 cents and 6 cents. Mr. James's figures are there.

Q. Was this sent to the general-order store?—A. Yes, sir.

Q. Leet & Stocking's?—A. No; Baker & Williams's.

Q. This was sent to a bonded warehouse?—A. It is a general-order store, receiving general-order goods.

By Mr. BAYARD:

Q. This is on the East River side?—A. Yes, sir.

Q. This was a general-order store on the East River?—A. Yes, sir.

Q. And you sent the charge to Mr. James, the deputy collector, and he told you the full charge would be 6 cents and 6 cents?—A. Yes, sir.

Q. Instead of that, it was eight times the amount?—A. Sixteen times; eight times the expense in the bill, and sixteen times the expense in a warehouse.

Q. It was eight times more than Mr. James fixed it ought to have been even in the general order?—A. Yes, sir.

FIFTH AVENUE HOTEL, NEW YORK, *January 31, 1872.*

EUGENE O'SHEA called by the committee, duly sworn and examined, testified as follows :

By the CHAIRMAN :

Question. Were you the inspector that discharged the City of New York about the 27th of October?—Answer. It was previous to the 27th, sir. I will refer to my books and see the date. [Refers.] It was between the 8th and 14th of October.

Q. And you were the inspector that discharged her?—A. One of the inspectors.

Q. Do you recollect some wires being discharged belonging to Mr. Tileston?—A. I remember, sir.

Q. What can you state in regard to it?—A. It was sent to general order.

Q. At what time?—A. About the last moment in clearing up the dock we sent it to general order.

Q. Had it been detained there forty-eight hours?—A. I believe it had, sir.

Q. Do you know?—A. I am not so sure of it now, but I remember we were winding up business on the dock when we sent this to general order.

Q. What time of the day was it sent?—A. It was early in the day, sir.

Q. How large a quantity?—A. I don't remember now exactly the quantity; as well as I can remember there were three hundred coils.

Q. What arrangements were made to hasten it to general order?—A. Not any, sir.

Q. What were made to keep it back from general order?—A. Not any that I know of, any more than we discharged the vessel in a very great hurry, principally on the general order, and owing to that the goods were thrown on the dock, and this wire remained underneath, under some goods, and we could not reach it before that time.

Q. Was that the only effort that was made to keep it back, by covering it up with goods?—That was all, sir, that I know of.

Q. Was any arrangement made by Mr. Tileston or his clerk with the inspectors in regard to covering it in that manner?—A. Not that I know of, sir.

Q. Was there any arrangement made with any party that you know of to detain it a while?—A. I don't know, sir, that there was.

Q. Might there have been and you not know it?—A. It is possible, sir.

Q. What arrangements have you made occasionally to oblige importers or to keep their goods from general-order store?—A. We have not made any, sir, that I know of.

Q. What have you received from importers, from time to time, in consequence of favors which you have done them in that way?—A. I have received no compensation from importers.

Q. What have you received?—A. I have received nothing.

Q. You have received nothing as compensation, and you have received nothing as a gratuity?—A. No, sir.

By Mr. PRATT:

Q. How long have you been in the custom-house service as an inspector?—A. Since about the 1st of June, 1869.

Q. From whom did you receive your appointment?—A. Mr. Grinnell.

Q. Where was the headquarters of the inspectors?—A. At the barge-office, foot of Whitehall street.

Q. Who designates the inspectors that are to superintend the unloading of a vessel?—A. Mr. Van Buskirk.

Q. Who is he?—A. Superintendent of the barge-office.

Q. You receive a compensation of \$4 a day?—A. Yes, sir.

Q. That is the uniform rate at which inspectors are paid?—A. I believe so, sir.

Q. When you are engaged in superintending the unloading of a vessel, how many hours in the day are you employed?—A. On steamers we are from sunrise to sunset.

Q. Are inspectors generally satisfied with the rate of compensation that they receive, or do they deem it too low?—A. I have heard them complain that it was too low, sir.

Q. When they are engaged in superintending the unloading of a vessel are they boarded upon the vessel?—A. On steamers we are.

Q. How is it with sailing-vessels?—A. Not always.

Q. Is there anything in the law requiring the vessel to board the inspector?—A. I don't know of anything, sir.

Q. How many inspectors are employed in the unloading of a vessel?—A. There are two generally on steamers, sometimes we have three; on sailing-vessels, one.

Q. Is there any rule by which Mr. Van Buskirk details the inspectors to unload a vessel?—A. I don't know of any particular rule, sir.

Q. Is it done by rotation?—A. I believe so, sir.

Q. I wish you would state to the committee, in detail, the process of unloading a cargo, the number of inspectors employed, the various steps for comparing the packages with the invoices, or with the manifest, what records are kept of the packages, and of the places to which they are sent, and of the time they are sent, and the dif-

ferent classes of carmen by which packages are sent to public store, the general-order store, the bonded warehouse, and to the importer.—A. In answer to that I think the best way to illustrate is to show you my returns of the last steamer I discharged.

Q. What steamer?—A. The steamer Donau.

Q. Belonging to the Bremen line?—A. Yes. [Paper produced by witness.] These are the returns complete.

Q. Are those the returns from the last vessel you discharged?—A. Yes, sir. These are the permits and orders we receive; these are the returns; this the original; and that the copy.

Q. First show to the committee the different kinds of permits that you receive.—A. These are the permits. This is the first one we received. [Selecting paper from bundle.]

“PORT OF NEW YORK.

“*To the Inspector of the Port:*

“We certify that C. Rich & Bros. have paid, or secured to be paid, the duties on merchandise contained in the following packages, in conformity to the entry thereof of this date, which merchandise was imported in the steamship Donau, ———, master, from Bremen.

“Permission is accordingly hereby given to land the same, viz: 4 boxes of birds.

“CUSTOM-HOUSE, *January 16, 1872.*”

[Signed by the naval officer and collector.]

Q. This is the first paper, then, which the inspector receives—a permission to land a certain class of goods?—A. Yes, sir; it is No. 1, and is entered upon this book alphabetically.

Q. What is this book in which this is entered?—A. This is the discharging-book.

Q. Now turn to the entry of this permit in this discharging-book, and read it to the committee.—A. “Four boxes of birds.”

Q. Now, is this permit entered upon this book before the unloading of the vessel commences?—A. It is, sir.

Q. Then you make the record of all the permits before you commence unloading?—A. We do, sir.

By Mr. BAYARD:

Q. Don't you make a record of any kind after that?—A. We do, sir, as they come in.

Q. Does not a steamer commence unloading as soon as she strikes the wharf?—A. Not always, sir; it depends upon whether they are in a hurry.

By Mr. PRATT:

Q. Does she commence unloading before the permits come?—A. Sometimes, in the general order, if she is in a hurry.

By Mr. BAYARD:

Q. Do they obtain the general order before she arrives?—A. Sometimes that is on the dock at the time.

By Mr. PRATT:

Q. Trace this particular permit, and show the committee what entries are made upon your discharging-book afterward.—A. You will find that upon the return. This is a duty-paid permit. [Witness selects another paper.] This is a warehouse permit—a warehouse order:

“CUSTOM-HOUSE, NEW YORK,

“*Collector's Office, January 17, 1872.*

“You are directed to send to the bonded warehouse, No. 409 Greenwich street:

Marks.	Numbers.	Description of merchandise ordered.
A. T.....	$\frac{877}{889}$	13 cases of straw braids, 877.

imported on the 16th day on January, 1872, by L. Thompson & Co., in the steamer Donau, ———, master, from Bremen.”

[Signed by the naval officer and collector.]

Q. Eight hundred and seventy-seven. What does that number designate?—A. To be sent to the public store.

Q. What does 877 designate?—A. To be sent to the public store, that particular package; the others to be sent to that warehouse. This number is designated at the custom-house to be sent to the public store.

Q. Is not that the number of the case?—A. It is, sir; the number of the package.

By the CHAIRMAN:

Q. Don't they send but one case to the public store?—A. Sometimes send more than one, according to the instructions we receive from the custom-house.

By Mr. PRATT:

Q. One of these cases, then, was sent to the public store and the balance to bonded warehouse?—A. Yes, sir.

Q. You have given the committee, now, two different permits. Are there any remaining permits different from these?—A. There are, sir. [Witness selects another paper.] This is another permit—vessel warehouse:

“DISTRICT OF NEW YORK,
“Custom-House, January 19, 1872.

“To the Inspector of the Port:

“You will send to the vessel-warehouse the following merchandise imported by A. B. Anstracker, in steamship Donau, from Bremen, to be in sealed cans: L. C. & C. 4, one case bronze-powders, gold-leaf, &c., and to be transported to Ogdensburgh for exportation to Montreal, Canada.”

[Signed by the naval officer and collector.]

During the discharging all goods not permitted are entered upon this book.

By Mr. CASSERLY:

Q. This is the general-order book?—A. Yes, sir; and these papers are receipts for general-order packages.

By Mr. PRATT:

Q. You keep, then, but two records—one for goods that are permitted and one for unclaimed goods?—A. Yes, sir.

Q. Now, take the first permit you gave in evidence to the committee; there the duties were paid?—A. Yes, sir.

Q. By what class of carmen were they sent away from the dock?—A. The merchants ride their own goods—all duty-paid goods.

Q. The first permit, the goods go to the appraiser's store?—A. No, sir; they were delivered to the merchant.

Q. Explain what that is.—A. This is the entry on the face of the permit. There is nothing ordered to go to the appraiser's store there.

Q. Were these dutiable goods?—A. They were duty-paid.

Q. I want to know in what respect that was applied to the goods in question. It says in the left-hand column, “Send to appraiser's store.” That, then, I suppose, is a mere blank form which requires some writing to give it effect?—A. Yes, sir.

Q. I wish to ask you a question in relation to this second permit, in which you were directed to send thirteen cases of straw braids to the bonded warehouse, 409 Greenwich street. By what carmen do you send goods to bonded warehouse?—A. It is optional with the merchant to get his permit-stamp from the custom-house and ride his goods himself. We always give the goods to the merchants' carmen, where he has a permit.

Q. What is the meaning of that on the back?—A. Those are the numbers of the merchants' carts by which the goods are to be taken to the warehouse.

Q. Are these marks put on the permit at the custom-house?—A. They are, sir.

Q. And you send the goods by the number of carts indicated in this indorsement?—A. Yes, sir; any one of these numbers calling for goods will receive them.

Q. When you send goods to the appraiser's store—the public store, as it is called—by what carmen do you send?—A. By the district carmen.

Q. The first one that applies that is there?—A. No, sir; there is the regular carmen for certain districts.

Q. A certain number to each district?—A. Yes, sir.

Q. Do you give them to the carmen of that district who first applies for them?—A. There is only one carman for that district.

Q. And he employs subordinates?—A. He attends to the cartage.

Q. All the carts are construed to be his?—A. Yes, sir.

Q. Does he receive his appointment from the collector or from the Secretary of the Treasury or the surveyor, or whom?—A. I don't know, sir; I can't say.

Q. He, however, is entitled to cart all the goods which go to the public store?—A. Yes, sir.

Q. Now, when you deliver goods to a carman, to be taken to the public store or to a

bonded warehouse or to a general-order store, do you take from the carman any receipt for the packages, or simply give him a ticket of the packages loaded upon the cart?—A. Give them one of these tickets.

Q. Give the committee a sample of the ticket you give.—A. These are the tickets we give with all the public-store packages :

“NEW YORK, January, 1872.

“Received in public store, 119 Greenwich street, from on board steamship Donau, ———, master, from Bremen, pier Hoboken, river, Z. C., 1394, case Mf. cotton.”

[Signed by the store-keeper.]

Q. Did you deliver this ticket to the carman?—A. Yes, sir.

Q. And he brings it back with the signature of the store-keeper?—A. Yes, sir.

Q. The carman returns this ticket to you?—A. Yes, sir.

Q. Then the carman gives no receipt at all?—A. None at all to us, sir.

Q. The only voucher you have is from the store-keeper?—A. Yes, sir; this is the bonded warehouse ticket, or receipt :

“No. 34. *Bonded goods, January, 1872.*—Received in public store, 119 Greenwich street, from on board steamship Donau, ———, master, from Bremen, W. & Co., 1397 case corsets. C. H.; cart No. 5.”

[Signed by the store-keeper.]

Q. These receipts, when returned to you, should agree with all of the packages which you have sent away?—A. Yes, sir.

Q. When you hand these tickets to the carman do you enter the substance of them upon a stub?—A. We do, sir. These are the stubs of the public-store warehouse and general order.

Q. When these tickets are returned you compare them carefully with the stubs to see whether they are all in?—A. We check them off on our book, sir, in this way, [exhibiting book.]

Q. I wish you would tell the committee the various entries you make on this book in regard to a particular package.—A. This is one, sir, “L. N. H.”

Q. And this 1962 represents?—A. Public-store package.

Q. What does the figure 19 represent above that?—A. Discharged on the 19th.

Q. This inclosure of the figures in the shape of a large O represents that this particular package has been sent to the general-order store?—A. This is the mark that designates the public-store package.

Q. What does the circular mark represent?—A. The check shows that we have received it.

Q. Why not all these other packages delivered in the same way?—A. They have been discharged—delivered to the merchant. It is a duty-paid permit. We have nothing more to do with these goods after they are landed.

Q. These figures, 1962, 1963, 1964, &c., indicate the number of the packages?—A. Yes, sir.

Q. And the figures in pencil immediately above them represent the time they were delivered?—A. Discharged.

Q. When they have passed the custom-house office on the dock, and have been properly checked, are they ready then to be sent off to their various places of designation?—A. They are, sir; we have nothing further to do with them.

Q. They then come into the control of the carman?—A. Of the merchant's carman.

Q. In what order are packages sent to the public store, to the general-order store, to the importer, and to the bonded warehouse? Is there any particular order in which the packages are sent away?—A. I don't understand your question.

Q. When in a given cargo some packages are marked to go to the public store, others are marked to go under general order, others again are marked to go to a bonded warehouse, and others are subject to delivery to the merchant, is there any particular order in which these packages are sent away from the dock?—A. We are governed by the instructions we receive; we are governed by the general order on goods not permitted, and we are governed by the permit in delivering goods. Goods not permitted are sent to the general-order stores; goods ordered to the warehouses are sent there, and duty-paid goods, as soon as they are passed and checked on this book, are given to the merchant.

Q. What I wish to inquire was whether they were sent in any particular order; whether you give preference to those sent to the appraiser's store?—A. We generally send the public-store packages first, then the warehouse, and then the general-order.

By Mr. CASSERLY :

Q. Until each package passes the custom-house office on the dock, I understand that the package is under the control of the discharging-officer?—A. It is, sir.

Q. He determines what packages shall leave the ship, and what packages shall go to general order or to the bonded warehouse, or otherwise, as the permit directs, or as the permit may fail to come?—A. Yes, sir; he is governed by his instructions.

Q. That is the fact, is it not?—A. It is, sir.

Q. The goods which are not permitted he sends to the general order?—A. Yes, sir.

Q. And he determines in what order they shall go there, too?—A. Yes, sir.

Q. After they have passed the custom-house office, then the inspector discharging the vessel has no further control, or how is that?—A. He has over all goods not duty-paid, and the public-store packages, even when they are duty-paid.

Q. Of course the men's goods permitted has duty paid?—A. Yes.

Q. And the same power over goods which are not permitted and become general-order goods?—A. Yes, sir.

Q. Would you extend the control of the inspector over these goods until they are put upon the proper cart and leave the dock?—A. Yes, sir.

Q. That is your understanding of his proper duties?—A. Yes, sir.

By Mr. BAYARD:

Q. You speak, sir, of discharging this ship, the Donau; you said she was discharged principally under general order?—A. I did not, sir. You mistook me, Senator.

Q. I want to ask you about that.—A. I don't remember having said so.

Q. When did your general order reach the ship?—A. We received it the day after she arrived.

Q. When did you commence discharging her?—A. She arrived on the 15th, and we did not commence till the 20th; they were in no hurry.

Q. Then the portion of goods sent to general order by that vessel was very small?—A. Yes, sir.

Q. Much under the usual average?—A. Yes, sir.

Q. Have you frequently had a general order reach you as soon as the vessel reached the dock?—A. Very often, sir.

Q. Then, when you commence to discharge, do you send the goods right along to general order unless where special permits reach you?—A. We do not immediately, sir.

Q. How long do you detain them?—A. Sometimes two or three hours. If it is early in the day, we do not send them till after dinner, in the afternoon.

Q. Ever detain them longer than that?—A. No; we try to keep no goods on the dock over night; no general-order goods.

Q. You say it frequently happens that the general order reaches you as soon as the vessel is ready to discharge?—A. Yes, sir.

Q. In such cases as that what proportion of the goods go under general order?—A. Sometimes one-half the cargo; more or less.

Q. Does not very frequently more than one-half the cargo go, where you have the general order in your hand at the time the discharge commences?—A. I never knew an instance of it myself. I have never discharged a ship of that kind that we sent most of the cargo to general order.

Q. You have sent fully one-half?—A. No; I have heard it. I can't give it as evidence, inasmuch as I don't know it.

Q. You are in the habit of discharging ships, and I ask you what proportion of the goods would go under general order where the general order reached you at the time you commenced unloading?—A. Well, sometimes probably one-half the cargo.

Q. The proportion that is exhibited by these returns is unusually small, because the vessel was in no hurry and there was plenty of time to get out their permits?—A. Yes, sir.

Q. And that caused the proportion to be small?—A. Yes, sir.

Q. I observe there were packages under every letter of the alphabet, except three, that were sent to general order by the Donau?—A. Yes.

Q. I find none under the letters U, V, X, and, I believe, Z?—A. Yes.

Q. There were some under every letter but those?—A. Yes, sir.

Q. And yet the proportion was very small in this ship?—A. Yes, sir; very small.

Q. Who was your brother inspector?—A. Mr. Young.

Q. I don't mean on the Donau; I mean on the New York, in October last?—A. Mr. Adams.

Q. Do you know Mr. Lydecker, jr., who is the custom-house broker?—A. No, sir.

Q. You do not know a custom-house broker by the name of Lydecker, who is, I believe, a son of one of the collectors?—A. No, sir.

Q. Have you generally a pretty large acquaintance among the inspectors of the port?—A. Yes, sir.

Q. Been there since 1869?—A. Yes, sir.

Q. Do you know Mr. George B. Eaton?—A. Yes, sir.

Q. Mr. John J. Kabeneau?—A. Yes, sir.

Q. Mr. R. S. Cook?—A. Yes, sir.

Q. Mr. J. C. S. Hamilton?—A. We had an inspector of that name.

Q. Mr. J. L. Levi?—A. Yes, sir.

Q. They were all in the service when you were there?—A. Yes, sir.

Q. Which of those gentlemen are in service now, sir?—A. I don't know of any of them at present.

Q. Do you know whether those gentlemen were or were not discharged from service during the past year?—A. I believe they were, sir.

Q. Are you aware of the fact that those gentlemen were either of them examined before the committee of which Mr. Patterson was the chairman?—A. I was told so.

Q. Who sat here last year making an examination of the affairs of the custom-house?—A. Yes, sir.

Q. Are you aware of the fact that the printed testimony of each of those gentlemen discloses the fact that they did receive from the merchants gratuities for services, not to break any law, but to extend facilities and conveniences to them in the discharge of ships, and similar services?—A. I heard they gave that testimony.

Q. That it was a regular system, as stated by them at that time?—A. I heard they said so.

By Mr. BAYARD :

Q. You know that they were all in office at the time they testified, do you not?—A. I believe they were, sir.

Q. You know they were all removed since?—A. I do, sir.

Q. And that they testified to the facts I have stated?—A. I heard so, sir. I don't know that they did ; but I heard they did.

Q. Their testimony is here of record. We have it in the public document printed by the Government, in which their statements are made very full to that effect.

By Mr. CASSERLY :

Q. Mr. O'Shea, how long have you been in the custom-house, as nearly as you can state?—A. I think I was appointed on the 27th of May, 1869.

Q. Under Mr. Grinnell?—A. Yes, sir.

Q. You have been retained under Mr. Murphy?—A. Yes, sir.

Q. With whom did you speak in regard to your testifying in this case before you came here?—A. I spoke to my family about it ; I spoke to—

Q. A little louder, if you please.—A. I spoke to my family at home—to my brother inspectors. I may have spoken to others that I met with incidentally.

Q. Is that all?—A. That is all ; yes, sir.

Q. Are you quite sure you never spoke to any other person whatever on the subject of your testifying here?—A. Yes, sir.

Q. Did you speak to any one as to the subject in regard to which you were to testify?—A. I suspected that it was the Tillotson affair, because I remember at the time that I was one of the inspectors.

Q. Go on, if you please.—A. I remembered that I was one of the inspectors who discharged the City of New York at that time, in October.

Q. You say that is what you suspected?—A. It is.

Q. You spoke with no one, however, on that point, except as you have specified?—A. Just so, sir.

Q. Did you know that you were to testify, or were expected to testify, on any other subject than the Tillotson question?—A. I did not, sir.

Q. Did you speak to no superior officer in the custom-house?—A. No, sir.

Q. Nor with any person on the part of the custom-house?—A. No, sir.

Q. Are you quite sure of all that you have said on that subject?—A. I am ; yes, sir.

Q. How was it you brought this large number of papers here?—A. It was at the suggestion of Senator Pratt.

Q. Then you did talk with some one?—No, sir ; not on this question.

Q. But my question was very general. I asked you if you talked with any one, either as to the fact of your testifying here or as to the subjects with regard to which you were to testify.—A. It would probably be well if I explained this matter.

Q. No, no ; I want to know what you did now. Then you can explain, of course.—A. If you will allow me, I will make it as simple as possible.

Q. Just state now in regard to this.—A. I met Senator Pratt on the Bremen dock, on Saturday. We were just at work making out our returns, and although we did not speak of any particular matter that I was to testify about, I told the Senator that I was summoned before this committee, and that is all. He thought that if I brought my papers and returns before you it might throw a good deal of light on the work we have to do ; that is all.

Q. Now don't understand me in the slightest degree as intending to reflect upon that at all. I think that Senator, if he will allow me to say so, did exactly what he ought to have done under the circumstances.

Mr. PRATT. I had leisure on Saturday afternoon, and I was curious to see about this, and to post myself up more in the unloading of cargoes, and I strayed into this office, where I made the acquaintance of Captain O'Shea, but there was no reference whatever to this Tillotson matter.

The WITNESS. There was not a word on the subject, any more than I told him I was summoned to appear here. That was all.

By Mr. CASSERLY :

Q. When did you get your subpoena?—A. I think it was on Friday, sir.

Q. On Friday last?—A. Yes, sir; on Friday. It was to appear here on Saturday, but I saw that you had adjourned, and on that ground I didn't come over.

Q. The Donau, the last vessel you discharged, is of the Bremen line?—A. Yes, sir.

Q. Have you testified in regard to the New York?—A. Yes, sir; the wire affair.

Q. What line does she belong to?—A. The Inman line.

Q. Those ships are generally very much straitened as to time while they are in this port, are they not?—A. Sometimes.

Q. Especially in bad weather?—A. Yes, sir.

Q. Have you discharged many of those ships?—A. I think I have discharged five or six of them, from time to time, since I have been in the custom-house.

Q. Is it or not the fact that the proportion of goods going into general order out of that line is quite large?—A. Not always, sir. It depends on the circumstances and the hurry they are in.

Q. Is it or is it not the fact that the proportion of goods going into general order out of that line is quite large in comparison with some other lines?—A. I think not.

Q. What line do you know of which makes as short a stay in port as compared with the Inman line?—A. Well, the Anchor line, and the—

Q. Is it true or not that the shorter the stay of the steamers the greater the proportion of the same goods going into general order?—A. Decidedly, inasmuch as they have—

Q. Just answer the question.—A. Inasmuch as they have to keep the dock clear.

Q. Just answer the question—the proportion is greater?—A. Yes, sir.

Q. Now you can add your reasons, if you like?—A. They are expecting another ship and they clear off the dock.

A. Then where a ship is hurried as to time, necessarily the proportion of her goods going into general order is greater?—A. Yes, sir.

Q. What lines do you regard as, generally speaking, the most hurried in regard to time?—A. Well, they are all, in fact, sometimes in a great hurry, each of them. It depends on the time the ship makes.

Q. Of course we all know that. It is under those circumstances that a ship is straitened for time usually?—A. Yes, sir; they all act equally alike under the same circumstances when they are in a hurry. I never saw any desire on their part to shove goods into general-order stores, nor did I, on the part of inspectors or anybody, to rush goods into general order.

Q. You have brought here a packet of general-order tickets from the Donau?—A. Yes, sir.

Q. How many tickets are there in that package?—A. [Counting.] One hundred and twenty-three.

Q. I find "B. O.," the bad-order mark, on a good many of those. Whose mark is that?—A. Let me see that, if you please.

Q. It is the same all the way through; it is a lead-pencil mark, evidently by the same hand.—A. I don't know whose mark this is.

Q. You can tell whether that mark was on those tickets as you gave them out?—A. It was not, sir.

Q. When did you first see it on the tickets?—A. After we received the tickets back in that condition.

Q. From the general-order stores?—A. Yes, sir.

Q. I will not detain you on the stand, but I will ask you this: I have counted myself the number of bad-order marks in that package of one hundred and twenty-three tickets, and I will get you to count them after you leave the stand. In the mean time, will you tell me what the lead-pencil marks mean, if you know, apparently put on at the same time and in the same hand which put on the bad-order marks. You see "3," and then a stroke, and "1" under it.—A. I don't know, sir.

Q. You don't know what they mean?—A. No, sir.

Q. Those are the general-order store marks, are they?—A. I suppose so.

Q. Did you apply for leave of absence to attend here to-day?—A. No, sir.

Q. Isn't that necessary under the rules of the custom-house?—A. No, inasmuch as we have time to make out our returns, and this is part of the time—this is part of that time. In fact, I worked very hard, and so did my partner, to have the returns so forward as they are now, in order to present them to you. This is part of that time.

Q. Can you leave your post of duty assigned to you of your own will and in your own discretion?—A. No, sir. We consider we are on that post of duty now.

Q. I know it; but your attendance here as a witness is one thing; your services as a discharging officer are entirely separate, are they not?—A. Yes, sir; but this is part of our time that we are allowed to make out our returns.

Q. Yes, but what I want to know is, do you consider yourself at liberty to attend here without notifying your superior officer in the custom-house?—A. I do.

Q. Your superior officer is Mr. Van Buskirk, is he not?—A. Yes, sir, at the barge-office; but I received an order from the custom-house last night to appear here to-day.

Q. You did receive such an order?—A. Yes, sir.

Q. That, of course, is tantamount to a leave of absence?—A. But I didn't ask for it, inasmuch as I thought it was my right.

Q. But you did receive it?—A. Yes, sir; it was sent to me from the barge-office.

Q. Did you mention how many ships of this Bremen line you have discharged since you were inspector?—A. The Donau was the only one, sir.

Q. How many ships of Williams & Guion's line have you discharged?—A. I think about two.

Q. How many ships of the Cunard line?—A. About four or five.

Q. How many ships of the other German line?—A. Not any.

Q. How many ships of the Anchor line?—A. About four or five.

Q. How many of the Inman line?—A. About four or five.

Q. Isn't there another—the National line?—A. Yes, sir.

Q. How many of that?—I think one or two.

Q. How many of the White Star line?—A. Not any.

Q. Of the French line, so called?—A. Not any.

Q. Mackenzie, I think, is the agent?—A. Yes, sir. Not any.

Q. Will you mention any other of the foreign steamships which you have discharged?—A. I have done on each of them, I think, except the Havana line, the White Star, and the French and Hamburg.

Q. Then you have discharged steamships on each of the lines to foreign ports, except the French line and the Hamburg line?—A. And there is a London line at pier 4. I have never been on that.

Q. You mentioned still another. I think the White Star?—A. The Havana, the White Star, the Hamburg, and the French.

Q. And the London line?—A. And the London line; yes, sir.

Q. How long have you been upon the Donau down to to-day?—A. I left her on Saturday.

Q. Have you done with her?—A. Yes, sir. She sailed on Saturday. We remained with her until she sailed.

Q. Did you have your papers all written up at the time she sailed?—A. No, sir.

Q. You have finished them since?—A. Yes, sir; we have.

By Mr. PRATT:

Q. Captain, these two books which I hold in my hand are exact copies of each other, are they not?—A. Yes, sir.

Q. One an original and the other a duplicate?—A. Yes, sir.

Q. It purports to be a report of merchandise unladen under your inspection, pursuant to permits and orders for the purpose, from on board the steamship Donau, from Bremen, arrived January 15 and discharged January 23. Does this contain a complete list of all that was unladen from the vessel?—A. It does, sir.

Q. Including passengers' baggage, newspaper pamphlets, and goods proper?—A. Yes, sir.

Q. These returns are signed by the weigher, the gauger, and the two inspectors?—A. We sign the weigher and the gauger ourselves. We put their names on our returns.

Q. To whom are those returns made?—A. To the collector.

Q. Are both copies sent to the collector?—A. They are sent to the custom-house with tickets, memorandums, everything.

Q. Do you send the various orders and permits and all of those tickets receipted to the custom-house with these general-order returns?—A. We do, sir; everything complete, and these returns account for everything. You will find everything on those tickets—on those returns.

Q. You stated the number of packages in this cargo sent under general order were 123. Do you remember the number of packages in the cargo?—A. I think I took a memorandum of the number of packages. [Referring to memorandum.] There were 4,107 packages on board.

Q. And of that number, only 123 were sent under general order?—A. Yes, sir.

Q. And these returns now, as I understand, account for every one of those packages?—A. Yes, sir.

Q. You spoke about having seen me on the dock on Saturday; was our meeting an accidental one?—A. Merely accidental.

Mr. CASSERLY. (To Mr. PRATT.) I do not question that at all, sir.

Q. (By Mr. PRATT.) Did I converse with you upon any other subject except simply the nature of your duties in superintending the unloading of a vessel and the modes of your returns to the collector?—A. That was all, sir.

Q. Was any reference made in our conversation to the particular subject-matter upon which you were subpoenaed to attend before the committee?—A. No, sir.

Q. Was any allusion made to Mr. Tillotson's name at all?—A. None whatever.

Mr. CASSERLY. If my brother Pratt will allow me; I suppose that the witness had to obtain these papers from the custom-house to bring them here, or he had to obtain leave to bring them here, and it occurred to me that he had had some conversation with the custom-house authorities. I was not tracking up any member of the committee.

Mr. PRATT. O, I was there on a very innocent errand, I assure you. [To witness.] I was about inquiring, after you had explained to me your mode of keeping your books and the vouchers you took for the various packages you had discharged, I suggested to you the propriety, inasmuch as you were coming before the committee as a witness, of bringing these books along for the purpose of giving to the committee the same information which you had given to me.—A. That was all, sir.

Q. How long a time did I understand you to say was occupied in discharging the Donau?—A. We commenced on the 20th and finished on the 23d.

Q. Three days?—A. Yes, sir.

Q. What is the usual length of time occupied in discharging a vessel—I mean one of those steamships?—A. That is about the regular time.

Q. How long after the vessel finishes her discharge are the inspectors occupied in making up their returns?—A. When we have a very large cargo of this kind, about three days.

Q. After you finish your return, what do you do then? What is your next duty? Do you report at headquarters at the barge-office?—A. We do, sir.

Q. As a general thing, how long an interval elapses before you are again assigned to duty?—A. About a week, sir.

Q. What do you do in the mean time?—A. We remain at the barge-office.

Q. Do you know of any practice, Captain O'Shea, on the part of inspectors, of retaining goods on the dock by collusion with the owners to prevent their going under general order?—A. I do not, sir.

Q. You have given the committee the length of time you were employed in superintending the unloading of a vessel and making your returns; as a general rule, what proportion of time in the year are inspectors actually engaged in discharge of their duties? I want to get at the time they lay upon their oars waiting orders and they are actively employed?—A. They are actively employed throughout the year, sir.

Q. They are not doing anything at the barge-office, are they?—A. We are, sir. We sometimes do debenture duties; that is, attend to the transfer of goods from goods in bond going out of the country.

By Mr. BAYARD:

Q. That are re-transported?—A. Yes, sir; we call it debenture duty.

Q. To get the drawback?—A. We accompany them to the place of shipment.

By Mr. PRATT:

Q. So that you are not idle, then, while you are at the barge-office?—A. No, sir; we are supposed to be on duty all the time.

Q. What is the practice as to the examination of baggage of passengers?—A. We attend to that duty also. While we are at the barge-office we are detailed for that duty.

Q. Did you assist in examining the baggage of the steamship Donau?—A. I did not, sir.

Q. Who did?—A. The officers detailed on the ship are never on the baggage.

By Mr. CASSERLY:

Q. You mean the discharging officers?—A. Yes, sir; they have other duties to attend to.

By Mr. PRATT:

Q. A distinct set of officers, then, examine the baggage?—A. Yes, sir.

Q. Usually, how many are employed in examination of the baggage?—A. It depends on the number of passengers; sometimes five, ten, fifteen, and twenty.

By Mr. CASSERLY:

Q. Sometimes above thirty, are there not?—A. I never saw as many as thirty.

By Mr. PRATT:

Q. Have you frequently been present when inspectors were examining the baggage of passengers?—A. I have, sir.

Q. Will you state to the committee what the practice and theory of this examination is; whether a trunk ever is opened and the contents carefully looked over?—A. It is.

Q. What, if anything, do you know of inspectors receiving gratuities for passing the baggage of passengers without examination?—A. I know nothing.

Q. Did you ever witness such a case?—A. No, sir.

Q. Are outsiders allowed on the docks, so that if a thing of that kind occurred—I mean passage of passengers' baggage without examination—it could be seen by outsiders?—A. As a general thing it is not; but there are times when outsiders come in; they are not allowed to, though, but they get in; they steal in.

Q. What I want to get at is what check there is upon the dishonest inspector when the baggage of passengers is being examined; what mode there would be, or what facility there would be of detecting him, if he were disposed, by collusion with the passenger, to pass his baggage without inspection.—A. I don't know of any, sir. The only remedy would be to examine the baggage after he had passed it.

By Mr. CASSERLY:

Q. What day did the Donau arrive?—A. She arrived on the 15th instant.

Q. What time did you take charge of her?—A. On that day,

Q. What time was the general order granted?—A. We received it the following day.

Q. That was the 16th?—A. Yes.

Q. What day did you finish discharging her cargo?—A. On the 23d.

Q. From sixteen to twenty-three is seven days.—A. Yes, sir; but we didn't commence until the 20th.

Q. You didn't commence discharging cargo at all?—A. No, sir.

Q. Why was that?—A. They were discharging another ship on the same pier.

Q. Who were?—A. The company, and the pier was crowded. We didn't commence until the goods of the other ship were cleared off the dock.

Q. And you commenced to discharge her when?—A. On the 20th.

Q. Then there were four full days?—A. Let me see. I am afraid I am making a mistake. I believe it was on the 19th we commenced.

Q. We would be happy to have you correct your mistake.—A. Yes, sir; I think it was on the 19th.

Q. Then, from the 15th to the 19th, merchants were all able to get out their permits?—A. Yes, sir.

Q. Was that an unusually favorable chance for the merchants?—A. I understand not on that pier.

Q. Without reference to your understanding—you have been careful hitherto to testify to nothing that you didn't know—now, without reference to your understanding, is not that an unusually favorable opportunity for merchants to get out their goods?—A. Yes, sir.

Q. And is it not true that in consequence there would be a much smaller proportion of goods to go into general order than if the ship was crowded for time?—A. Yes, sir.

Q. You stated a while ago that you were three days discharging the ship. Perhaps you would like to correct that now by saying four?—A. We commenced on the 19th.

Q. At what hour?—A. We commenced about 11 o'clock in the forenoon.

Q. And you ended at what hour on the 23d?—A. I think about 11 or 12.

Q. Say four days?—A. Yes, sir.

Q. In reply to a question from Senator Pratt you stated in your examination three days as the time of discharging that ship, and you also said that was the usual time of discharging those steamships?—A. Yes, sir.

Q. But now you say it was four days.—A. Well, in—

Q. I am not making any point about that. I am quite willing you should correct it.—A. In going over my memoranda I find that we commenced on the 19th.

Q. What do you know of the usual time of discharging the Bremen steamships?—A. Nothing, any more than being there during the discharge of the ship that was discharged prior to our ship. We were there during that time.

Q. I understood you to say that this was the first ship of the line you ever had?—A. Yes, sir; but there was another ship discharging at the time we were on that pier.

Q. For which you were waiting?—A. Yes, sir; and it took about the same time.

Q. That is all you know about the general time of discharging those steamers of that line?—A. Yes, sir.

Q. But if there were two ships of that line waiting to be discharged, one of which was occupying the pier to the exclusion of the other, that would necessarily hurry both of them, would it not, in the discharging?—A. It would, sir.

Q. The ship that had the pier would hurry, in order to let her mate come in?—A. Yes, sir.

Q. The testimony we have had—and I mention it in justice to you—from an agent, a most intelligent gentleman, (Mr. Schwab,) is that an unusual length of time for this port is allowed to his ships to discharge. I understand you to say that all you know about them is the time which it took these two ships to discharge, one of them having to wait until the other is discharged.—A. Yes, sir; just so.

Q. Having to wait for her berth?—Yes, sir. This is the Bremen line that I am speaking of.

Q. You were asked by one of the committee, "Did you ever know of a case of an inspector receiving money for passing baggage?" and you answered, "No, sir." Do

the parties to such transactions, the inspector on the one hand and the passengers on the other, generally invite the bystanders to look on?—A. I don't know, sir.

Q. You do know whether it is probable they would or not, don't you?—A. I don't know any more about that than you do yourself.

Q. I know nothing about it.—A. Well, and I know as little.

Q. You say you never witnessed such a case?—A. No, sir.

Q. Do you mean by that you never saw it with your eyes?—A. Never.

Q. Well, is it probable they would invite you to come and look on?—A. It isn't natural that they would.

Q. You, being a discharging officer, say, or an officer discharging the baggage of other passengers, you don't think it likely they would take you away from your business and ask you to go and witness this transaction?—A. Well, I don't suppose they would if they transacted business of that kind.

Q. It is a transaction which, in its nature, calls for secrecy rather than witnesses?—A. Well, I should think so. I don't admit that any such business is done; but if they do business of that kind, of course it is very natural they should do it privately.

Q. I don't know that anybody asked you for your views as to whether the business was done.—A. Excuse me, Senator; I don't want to be impertinent.

Q. I don't accuse you, sir, of anything of the sort. I merely want to confine your attention as closely as possible to the precise question propounded to you. You do not know what proportion of packages was in the Bremen ship that had the berth to the exclusion of the Donau and went into the general-order department?—A. I do not, sir.

Q. Do I understand you that this package of tickets here represents the whole number of general-order packages from the Donau?—A. Yes, sir; it does.

Q. Is there a ticket for every package?—A. There is, sir.

Q. Now, if you will be good enough, after the committee have done with you, to count the number of bad-order marks in that bundle, I would be glad to have you state it.—A. I don't know that this means bad order.

Q. Well, I think we can assume, without much controversy in the committee, that it does mean bad order. "B. O." is a very familiar mark.—A. I don't know that. It may be a check-mark of some kind.

Q. I understand you to say that you don't know what those two letters, "B. O.," mean on that ticket?—A. No, sir, I don't; and it is not part of my duty to know it. I know this: In discharging these packages I didn't see any of them in bad order. I didn't know that this meant bad order. [Referring to mark.]

Q. The committee is perfectly well informed of that latter point, and we will take your own statement as to the condition of those packages as a part of your testimony.

By Mr. STEWART:

Q. What would you do if you found them in bad order? I want to know if you found them in bad order you would make any note of it?—A. We never do, no. I never have.

Q. Does the cartman take them in bad order without having any note made anywhere?—A. They take them as we give them to them.

Q. You say they discharge. Now suppose a package is broken open, will the cartman take that and sign the receipt in good order? Do you know anything about that?—A. He gives us no receipt.

Q. You are there observing how it goes on. Of course he gives a receipt to the ship, don't he?—A. To the ship? Yes, sir.

Q. Now, have you observed that transaction—what kind of a receipt he gives?—A. No.

Q. Didn't pay any attention?—A. No, sir.

Q. Whether those receipts that he gave to the ship were given with reference to the condition?—A. No, sir.

By Mr. CASSERLY:

Q. Let me ask you now, as a matter of practice, does the carman give his receipt to you or to the ship's clerk?—A. To the ship's clerk.

Q. Is that what you call the ship's clerk, or is it what you call the dock clerk; which is it?—A. They are called the dock clerk or the ship's clerk.

Q. They are one, indifferently?—A. Yes, sir.

By Mr. BAYARD:

Q. He represents the ship?—A. Yes, sir.

By Mr. CASSERLY:

Q. Now, let me ask you: a great number of those tickets must have passed through your hands and since you were first discharging officer at this port; and, I understand you, you did not before know what was the meaning of those letters, "B. O.," on

tickets?—A. No, sir; there are so many checks on these tickets when they are returned to us that we don't take any notice of them. All we notice is the signature of the store-keeper. If that be on the ticket, that is all we look to.

By Mr. BAYARD:

Q. I understand you to say that the inspector was the supervising officer of the unloading of the ship and has control over the cargo in regard to its being carried away. I mean that after it is put down from the ship's tackles upon the pier, that the inspector is the controlling mind over the disposition of that cargo?—A. Yes, sir.

Q. Now, has the ship's clerk, whom you have mentioned, or the dock clerk—the representative of the ship—has he any control over the disposition of those packages at all?—A. No, sir; until they are passed outside of the gate.

Q. He couldn't control them at all?—A. No, sir.

Q. Could not retain them or send them away?—A. No, sir.

Q. Would have nothing to do with them?—A. No, sir.

Q. That you are perfectly clear about?—A. Yes, sir.

By Mr. CASSERLY:

Q. He could neither keep them back nor hurry them forward?—A. No, sir; he has no right to interfere with them; and he receives a receipt at the gate. He is in an office at the gate.

Q. He takes the carman's receipt, then?—A. Yes, sir.

[The following letter was directed to be sent to the president of the Chamber of Commerce:

"ROOM OF COMMITTEE ON INVESTIGATION AND RETRENCHMENT,
"UNITED STATES SENATE,
"New York, January 31, 1872.

"SIR: The United States Senate has directed the Committee on Investigation and Retrenchment to make inquiry into any abuses or fraud which may exist in the collection of the revenue, as will appear from a resolution adopted by the Senate, a copy of which is inclosed. Knowing that your organization is intimately connected with and desirous of promoting the commerce of the country, the committee would state that they are in session at the Fifth Avenue Hotel for the performance of the duties to which they have been assigned, and will be glad to receive from your honorable body any suggestions which may aid them in adopting measures that will secure the faithful collection of the revenue without fraud and with the least possible embarrassment to commerce.

"Very respectfully, yours,

"WM. A. BUCKINGHAM,
Chairman.

"WM. E. DODGE, Esq.,

"President New York Chamber of Commerce."]

FIFTH AVENUE HOTEL, NEW YORK, January 31, 1872.

WILLIAM BROOKFIELD, being called and duly sworn, testified as follows:

By the CHAIRMAN:

Question. What is your business?—A. Manufacturing glass.

By Mr. BAYARD:

Q. Where?

By the CHAIRMAN:

Q. I don't know by whose request, if any, you were subpoenaed. Possibly it was on your own?—A. No, sir; I saw the subpoena on Thursday last.

By Mr. STEWART:

Q. Have you any idea what you were subpoenaed for?—A. I suppose it was through Mr. Tillotson. I suppose he gave my name to the committee. I had, about two years ago, a lot of goods going under general order. The packages were mentioned to him.

Q. Tell us about it?—A. I had a small lot of goods sent under general order. I had to pay charges for getting them out. That is all about that it amounts to.

Q. To whom?—A. Wood & Baker.

Q. Did they keep a general-order store?—A. I suppose so, from the fact of the goods being sent there. I paid their bill.

By Mr. BAYARD:

Q. It was on the East River side?—A. Yes, sir; on the East River side.

Q. What were the goods?—A. Soda-ash.

Q. How many packages?—A. I think about thirty, sir, if I remember.

Q. How long were they there?—A. Several days, if I remember.

Q. How long were they in the general-order warehouse?—A. But a very short time. I don't remember exactly, sir; probably a week or ten days; not over that time.

Q. What charge was made to you?—A. I think between \$80 and \$90. I am not positive about that; it's so long ago.

Q. What would have been the ordinary usual rates for housing such goods?—A. From what I learned from another storage man, I think a little less than one-half.

By Mr. STEWART:

Q. When was that?—A. I think in the fall of 1869.

Q. On the East River side?—A. Yes, sir.

Q. How many packages? How much was there of this?—A. About thirty casks of soda-ash, I believe.

Q. How much did they charge you on a cask?—A. I don't remember exactly. I think the whole bill was between \$80 and \$90—not over \$90.

Q. How much would one of those casks weigh?—A. Probably they would average seven or eight hundred pounds.

By Mr. PRATT:

Q. Do you remember how the charges were divided—how much for cartage, how much for storage, and how much for labor?—A. I don't remember.

By Mr. BAYARD:

Q. How came the goods to go under general order?—A. I was behind time in getting my permit on board the ship.

Q. Were you more than forty-eight hours?—A. Just about, I should think, sir.

Q. You say that the usual regular warehouse charge for similar packages was about one-half of what you paid?—A. Well, I inquired of another person in the storage business, and, if I remember aright, it was a little less than one-half.

Q. Little less than half?—A. Yes.

Q. That would have been a fair charge for those goods?—A. Yes, sir. It is a great while ago.

Q. Did you make any complaint about it?—A. I did not.

Q. Do you know of any other cases of the same kind happening to you?—A. That is the only case I ever had.

Q. Any of your other goods?—A. No, sir.

Q. Do you know of any other cases among your brother merchants?—A. I do not.

By Mr. PRATT:

Q. When you say that these charges were more than double the usual charges, do you refer to private warehouses or to bonded warehouses?—A. To the ordinary warehouses.

Q. Belonging to individuals?—A. Yes, sir.

Q. Not bonded?—A. Well, I can give you the name of the person I inquired of. I don't know whether the store was a bonded one or not.

Q. Did you inquire of only one man?—A. I only remember one man that I inquired of, but I think I did of more.

Q. Do you know that it was higher than the general-order store-keepers were in the habit of charging?—A. I do not.

By Mr. BAYARD:

Q. Are you in an importing house yourself?—A. No, sir.

Q. You have very little connection then with the custom-house or custom-house people?—A. Very little.

FIFTH AVENUE HOTEL, NEW YORK, *January 31, 1872.*

J. R. LYDECKER called, sworn, and examined.

By the CHAIRMAN:

Question. What is your business?—Answer. I am deputy collector in the custom-house.

Q. How long have you been deputy collector?—A. Since the 1st of March, 1867.

Q. In what division?—A. The fifth division.

Q. What division is that; what name has it?—A. It has charge of the entry of merchandise.

Q. Now, will you have the goodness to give the committee an account of the manner in which goods are passed through the custom-house? If you can give a detailed account, we should be glad to hear it, commencing with the time the invoice goes to the custom-house, and trace it up to the delivery of the goods?—A. That business commences with the presentation of the bill of lading, and the invoice of goods to the entry-clerk, for the purpose of making up the entry and assessing the amount of duty. That is the collector's entry-clerk.

Q. It is first presented to the collector's entry-clerk?—A. Yes, sir. Those papers are there examined and the amount of duties estimated.

Q. (By Mr. PRATT.) The bill of lading and the invoice?—A. The bill of lading and the invoice.

The CHAIRMAN. Go on, sir.

A. After which the papers go into the naval office for an examination of the work of the entry-clerk. If it is found correct it is then ready to go before the deputy collector for verification of the invoice and the affidavit of the importer in regard to his prices, &c., and the ordering of packages for examination. Then the entry is ready for the payment of duty; after it has gone through that formula the papers are ready for the payment of the duty on the goods.

Q. Then what?—A. The permit is then signed and delivered to the importer for presentation to the inspector, or whatever his goods may be, either in store or the inspector on board the vessel.

By Mr. PRATT :

Q. How much time is occupied in these various steps before the permit is signed, from the time that the bill of lading and invoice are presented?—A. Depending very much upon the pressure on the office, and the complications in the invoice, and the number in which it is presented.

By the CHAIRMAN :

Q. Let me ask you a question. When the importer or his clerks go to the custom-house with their invoices, do they take turns in the delivery of those invoices to the entry-clerk?—A. No; I think not. They generally make their selections of entry-clerks to whom they will present their papers, and, I suppose, so far as that part of it is concerned, it does depend very much upon the turn, or in the order in which they are presented. There is no particular rule as to which entry-clerk they shall present their papers to. There are some twelve or thirteen of them.

Q. Do the importers present them to such entry-clerks as they please?—A. Yes, sir.

Q. Take Mr. Claflin, for instance; is there an entry-clerk to whom his entries go?—

A. I think the record will probable show that he usually presents them to one clerk.

Q. Is he delayed in presenting them and having them referred to his clerk at once?—

A. No, sir; not at all.

Q. After they go into the hands of this clerk, how long are they detained there, or are they not detained at all?—A. I really couldn't answer the question. I very seldom hear any complaints of detention.

Q. What do the entry-clerks have to do?—A. Examine the invoice and make the calculation of reduction of currency to United States currency, and make up the amount of duty.

Q. He determines the amount of duty?—A. Yes, sir.

Q. That takes some time, does it not?—A. With Mr. Claflin's entries I should think it would.

Q. Is there anything done by which the clerk can delay this matter; can he pass it off, turn it aside in any way?—A. He could if he were disposed to.

Q. He could if he were so disposed?—A. Yes, sir.

Q. Is there any rule by which the invoices are examined as they pass into the hands of the entry-clerk; can he, if he receives one and then another, lay aside just which he pleases and take up either one he chooses?—A. My orders to those gentlemen are to take them up in rotation, as they are presented to them.

Q. Can they do it differently?—A. Of course not. They couldn't without disobeying orders.

Q. You think they do it sometimes?—A. The best evidence they do not is that I don't know that I have heard a complaint of that kind for a long time.

Q. What entry do they make then?—A. It is the business of the merchant to make a statement of his invoice on what we call an entry, properly reduced to American currency—to American dollars—and other the different classifications of merchandise, of which his invoice is composed, with the different rates of duty to which it is liable.

Q. Does that entry define the invoice—the cases and so on?—A. Yes, sir; it gives the marks and numbers of the merchandise, with a description of it, classified under the different rates of duty as provided by the tariff.

Q. And the value?—A. Certainly; yes, sir.

Q. When that is done what becomes of this invoice?—A. After the duties have been paid upon it—after it has passed through this formula of examination and estimated

duty—it is transmitted to the appraiser's department; it goes to the appraisers for examination.

Q. Does it go to the appraisers before the importer gets his order for his goods to be shipped?—A. At the time that he pays his duty upon his goods the invoice is left with the cashier, who receives his duty and hands him back his permit.

Q. And that is a permit to get his goods?—A. Yes, sir.

Q. In that permit is there a designation of the packages which are to go to the appraiser's store?—A. Yes, sir; the designation is upon the right-hand margin of the permit designating which packages the deputy collector has ordered to go to the public store for examination.

Q. What entry is made in the custom-house before that permit leaves?—A. All these descriptions of the goods which I have described on the entry previously, that the importer has made, and upon which the entry-clerk has estimated the amount of duty, are retained in the cashier's office of the custom-house for all future reference in regard to that transaction.

Q. Do you keep a copy of the order which designated a particular package to go to the general-order store?—A. Yes, sir; the package designated upon the permit to go to the general-order store is, at the time of the passage of the entry and at the time of the verification by the importer—the same number is placed upon the invoice which designates to the appraisers that he is to examine that package particularly; the same number is designated upon the book of the entry and on the affidavit of the inspector.

Q. All on one sheet of paper?—A. No, sir; one is on the invoice, one on the entry, and the other on the permit.

By Mr. CASSERLY :

Q. There are three designations?—A. Yes, sir; the same thing is designated in three places.

Q. On three different pieces of paper?—A. Yes, sir.

By the CHAIRMAN :

Q. One goes to the inspector by delivery?—A. Yes, sir.

Q. What becomes of the others?—A. The other one is retained in the collector's office. That is the one on the back of the entry. The one on the invoice is sent back to the appraiser's department, of course, the invoice being transmitted to the appraiser's department for examination.

Q. That invoice which goes to the appraiser's department has upon it the case or cases which are designated to go there for appraisal?—A. Yes, sir.

Q. The same as the one that goes to the inspector?—A. Yes, sir.

Q. Is there no possibility of conflict, then, or of collusion?—A. Very little.

Q. By which the order may be changed?—A. Very little, without the importer should come to me and say that he wanted a particular package designated for examination. That would be about the only opportunity for collusion at that time, provided I was the deputy that was passing the entry.

Q. Is not there an opportunity of the entry-clerks to delay their work so as to really embarrass the importers in getting their permits?—A. It is very seldom indeed. Of course there are opportunities, from the whims of clerks, if they choose to embarrass it by pleading the pressure of business and all that sort of thing, for delays in passing entries, yet it brings me back to the same answer, that I don't think I have had more than one complaint in a year of people coming to me to make a complaint.

Q. What is the salary of a clerk?—A. They are getting \$2,200 now.

Q. How much?—A. Two thousand two hundred dollars.

Q. Have they families, the most of them?—A. The most of them have; yes, sir.

Q. Have many of them means of support aside from their salaries?—A. I could answer that question only in regard to one of them.

Q. How, sir?—A. I believe I said I could answer that question only in regard to one of them.

Q. Is there or not an understanding between these entry-clerks and others that they are entitled to certain compensations over and above their salaries for some extra work done?—A. There is a tradition on that subject about the custom-house, but I have never been able to get at any facts about, sir.

Q. Do you know of any instances in which you have reason to believe that parties have received more than their salaries?—A. I don't think I would be warranted in answering that question in the affirmative at all. I don't know, sir, of any particular instance where I supposed the entry-clerk had.

Q. Have you reason to believe that parties in the custom-house are sometimes negligent, and that, therefore, embarrass the merchants, that some effort may be made to assist them pecuniarily so as to spur them up?—A. Those things I have heard—those rumors. I have heard those stories in about the general nature you have placed them now, yet it has never come to me in such a shape that I could investigate or make an examination of it.

By Mr. STEWART:

Q. How long did you say you had been in the custom-house?—A. I said I had been deputy collector since 1867.

Q. Deputy collector, and having charge of the entries in this department?—A. Yes, sir.

Q. You say you have heard no complaint about merchants being delayed in getting their permits and getting through there?—A. No, sir; I have not. I think one case, in about a year, is all that has been brought to my notice.

Q. Are you organized there so as to put the permits through and do that business with dispatch? or how are you situated?—A. Pretty generally satisfactory.

Q. A good many men here have told us there were delays; some said that they were on account of the room, and some on account of the number of the clerks, and some said on account of the clerks keeping it back; they couldn't do as much work as they might. I don't think there is a general complaint of delays in that part of the business among the entry-clerks?—A. No, sir.

Q. It is quite important to do that business with expedition?—A. It is very important that they should be carried out at once, almost.

Q. What is the consequence to a merchant, if he cannot get his permit through in the forty-eight hours?—A. The most natural consequence would be that his goods would go under general order, and that would subject him to an extra charge.

Q. When two or three steamers come in together, do you have force enough and room enough to accommodate them?—A. I have before now made calls among some of the other divisions for assistance.

Q. Is there a way to get more assistance when you need it?—A. Certainly; I have frequently gone to the other divisions and asked them for a loan of clerks for a day or two, or a few hours, to pass some entries.

Q. How is it as to room in the custom-house to do business?—A. Well, it is certainly not as suitable a building as though we had one designed on purpose for that business, yet it does very well—so far as the general public are concerned; it has a very large rotunda, and is very roomy; there have been complaints made for the scarcity of room in the cashier's department. Complaints have been made to me in that particular branch.

Q. Are they delayed in paying their duties to get their permits?—A. O, no, nothing that I should think for a matter of complaint; the way that business is done, the accumulation of all the day's work to a late hour in the day perhaps may cause some inconvenience.

Q. It has been stated here by several that the custom-house closed precisely at three, and that they could not get through and pay up when a good many wanted to pay.—A. Yes, sir.

Q. Then there were some time that their goods had to go in general order?—A. I believe it is the cashier's custom not to receive any moneys for duties after 3 o'clock.

Q. Why is that custom?—A. It is in consequence of the necessity of his making his deposit with the sub-treasurer that afternoon; the regulations require a deposit of the money.

Q. Do men have to wait there a good while with their money, and in such cases do they sometimes have to go away and not pay it?—A. I have heard cases where the money had to be carried away; yes, sir.

Q. That is a good deal of a hardship, is it not, if they in consequence have their goods go into general order?—A. I could very readily see how a merchant would feel very much embarrassed and distressed.

Q. How could that be remedied?—A. That could only be remedied by employing more clerks, and giving them more room to do it; that is what I mean.

Q. That is what we want to know about; we have also heard of a tradition that they were in the habit of receiving for extra work, or something or other, that these extra clerks received money for it?—A. Yes, sir.

Q. What do you know about it; anything?—A. I do not, sir.

Q. You have heard of it?—A. I have heard that merchants were in the habit of paying certain amounts to entry-clerks for passing their entries. I have never yet found the merchant who was willing to say to me that he had paid any amount of money.

Q. Did you ever try to investigate it?—A. Yes, sir; it has been made a matter of investigation a number of times.

Q. Have you ever had complaints made to you about it?—A. No, sir.

Q. What suggested the ordering of the investigation?—A. The question came up, I think, during Mr. Grinnell's administration, upon the idea of reducing the salaries—at that time they were getting \$2,500 a year—it was talked over about that time.

Q. Do they get less now than they did then?—A. Yes, sir; during Mr. Grinnell's administration the salaries were reduced from \$2,500 to \$2,200.

Q. And they have all the responsibility of figuring up and ascertaining how much the duties would be in the different currencies?—A. Yes, sir.

Q. Fixing the rates of the duties of the article as described in the invoice?—A. Yes, sir; they have all the responsibility of reducing the invoice, foreign currency to United States currency, and fixing the rate of duty; that is, so far as estimating.

By Mr. BAYARD:

Q. Also foreign weights and quantities?—A. Foreign weights and quantities.

By Mr. STEWART:

Q. Is not that a pretty responsible place?—A. It requires a pretty cool head sometimes.

Q. Was that regarded as a reform to reduce the salaries from \$2,500 to \$2,200?—A. Those of us who knew about it thought it was a pretty poor system of reform, I can assure you, sir.

Q. Where did that come from; whose suggestion was it?—A. Well, it came from a decree at Washington to reduce the expenses of the custom-house.

Q. To reduce the expenses of the custom-house?—A. Yes, sir; to reduce the expense of collecting the revenue.

Q. You say most of those clerks have families to support?—A. Yes, sir, I think with but one or two exceptions.

Q. How many hours do they have to work?—A. Well, that duty keeps them from 9 o'clock in the morning until they get through; it is their habit to stay there until they get through with their work.

Q. How long do they stay?—A. Until about 4 o'clock, as a general thing, or half past 3; then a great many of them carry their work home with them at night.

Q. That I have heard, that they carry work home with them at night.—A. Yes, sir.

Q. And that is one of the things that they are paid for, doing this work at night; do you know anything about it?—A. I do not, sir; my own private opinion is that if there is any pay about it, that is what they get paid for.

Q. That if there is any pay about it; that it is for this extra work at night?—A. I suppose so.

Q. Do you know that a good many of them are in the habit of carrying this work home?—A. I do not, sir.

Q. If one of those entry-clerks was ever disposed to favor a merchant, could he favor him further than to facilitate the passing of his entries; could he enable him to get through with paying less duty in any way?—A. No way in the world, sir.

Q. He could not get him through without paying his full duties?—A. No, sir.

Q. If he should under estimate it?—A. It would make no difference in the world.

Q. Where would it be detected?—A. It would be detected upon the liquidation of the entry; upon the return of the appraiser.

Q. There would be no object in making a fraudulent entry?—A. Not at all.

Q. The only way he could benefit him is by facilitating him?—A. Pass his entries to allow him to pay his duties at the quickest possible time, the ultimate collection of his duties has nothing to do with that estimate.

Q. Then if he favors that merchant he can give him an undue advantage in getting his permit through?—A. The only advantage he can give him is, if he has a desk full of papers, to take up one set of paper over another that might have been left with him before.

Q. That is the advantage of one merchant over another that don't effect the Government?—A. Not at all, sir.

Q. But one merchant having stronger influence could crowd the others out, and it would be very unfair, would it not?—A. That would be unfair if the clerk exercised that privilege continually or very often.

Q. Or at any time; it would be unfair to do it at all, wouldn't it?—A. No; I can imagine the state of affairs, when I would go and direct an entry-clerk to pass an entry immediately, without regard to what he might have on his desk.

Q. What kind of a case would that be?—A. If a merchant brought in a set of papers at half past two in the afternoon, when he had just received them by the mail, and was fearful that they would go into general-order, if he could not pay his duties that day, I would go to a clerk and say to him, "Pass this at once." That would be one of a case that would demand such an order.

Q. How many appointees have you under you in your department?—A. I think about fifty altogether. Really I am not prepared to answer the question, but that is somewhere in the proportion.

Q. How many changes have been made there lately; are there any there that were there when you went in?—A. Yes, sir.

Q. And you went in 1867?—A. In 1867; yes, sir.

Q. You went in under Johnson's administration, in 1867?—A. Yes, sir; that is, I went in that division. I went into the custom-house in 1854.

Q. What department did you go into then?—A. Warehouse department, in the third division.

Q. Deputy collector?—A. No, sir; I went there as a clerk.

Q. What stages have you gone through in the custom-house?—A. I went there as a clerk in the third division, subsequently assigned as assistant to the chief clerk, and finally chief clerk in the third division, and left that to take the position I now occupy.

Q. Then your familiarity is more with the entry department than anything else now?—A. Well, my business is of such a nature that I pretty generally became acquainted with about the routine of the whole business, except the inspector's department—I probably know very little about the practicable working of that—but the inside of the building.

Q. The inside you understand?—A. Yes, sir; I suppose I do.

Q. What difficulties are there in the administration of the inspector's department that you can suggest improvements in? If you have been there and understand it pretty well, where is the trouble about the smooth working of it?—A. Well, I am one of those people who believe the present machinery, under the regulations, is about as perfect as is possible to get any piece of machinery that is unpopular.

Q. That is unpopular?—A. Yes, sir.

Q. Why is it unpopular; what do you mean by that?—A. What I mean to say is that everybody naturally regards the business of collecting the revenue as against his particular and personal interests, and of course he is not particularly satisfied; the natural result of that dissatisfaction flows from not being accommodated. I mean to say by that, that it is a machine complicated in its nature, and it must necessarily be so; it would be very hard for human ingenuity to invent anything that would be more perfect than this. In the first place, the tariff laws are very complicated, and in the next place the regulation under the laws must necessarily, for the safety of the revenue, be a check upon the other.

Q. Where were you from when you came into the custom-house?—A. From New York.

Q. From New York City?—A. Yes, sir.

Q. Have you taken part in politics since then?—A. Not in a long while. I believe I have not attended a primary meeting for a long while.

Q. Have you attended any State conventions?—A. No, sir; I have not.

Q. You have voted, have you not, sir?—A. Yes, sir.

Q. Then you haven't been mixed up with the political party? Have you paid any political assessment?—A. Very little of it. I have generally made my contributions.

Q. Voluntarily, or upon compulsion?—A. Voluntarily every time.

Q. Did you ever require anybody under you to pay it?—A. Did I ever insist upon it?

Q. Yes, sir.—A. No, sir; never in the world I have asked them.

Q. Has there ever been any compulsion in the custom-house, to your knowledge?—A. No, sir. I think that story is very much exaggerated. I have known persons to refuse often, very often, and I have never known it to make any difference to them.

Q. You think if a man said he was not able to pay that it would not affect his standing in the custom-house at all under any of the collectors, from what you have seen?—A. I don't think it would.

Q. You have been there under three or four collectors?—A. Yes, sir; pretty near a dozen, I think.

Q. And you think under either of them it would not be regarded as an offense that would endanger a man in his position?—A. I don't think it would, sir.

Q. Nobody has ever been turned out, to your knowledge, for any such cause?—A. There certainly has not been a man turned out of my division, since I have had the division, in consequence of such refusal.

By Mr. CASSERLY:

Q. Have you generally given that reason for the removal?—A. Well, it is just possible that they would if they did, but I am answering that question just literally. I do not think that any collector would take the responsibility of removing a man because he didn't pay political assessments.

Q. But I ask you would he be likely, if he did remove him on that ground—would he assign that ground; would he not assign some other reason?—A. I would, if I were the collector.

By Mr. PRATT:

Q. Do you know of any case where clerks and employes in the custom-house have declined to pay a political assessment, and who have for any considerable length of time after retained their places in the custom-house?—A. O, my, yes, sir; there are a number of such cases.

Q. You do know of a number of such cases?—A. Yes, sir.

Q. Where they have declined to pay, and still have retained their places in the custom-house?—A. Yes, sir.

By Mr. STEWART:

Q. Any of them now?—A. Yes, sir.

By Mr. CASSERLY :

Q. Have you heard of any that declined to pay, and have not retained their places in the custom-house ?—A. No ; I do not know that I could put it on that ground.

Q. Observe ; that is not my question. They asked you if you knew of anybody who had not paid, and yet was not removed. Now, I ask you if you have known of anybody who did not pay, and yet was retained ?—A. No, no. Who didn't pay, and have yet been retained ? I have said I have known a number of persons who did not pay, and yet have been retained.

Q. Now, have you known of anybody who did not pay, and have been removed since their refusal to pay ?—A. I really can't put my mind on such a case.

By Mr. BAYARD :

Q. Were the others so singular that you would be apt to remember them ?—A. No ; there is nothing so singular excepting just this : Where a man refuses to pay, why, it is generally a matter of talk about the place.

By Mr. CASSERLY :

Q. Do you consider he stands quite as well with the authorities in and out of the custom-house as if he had paid ?—A. I rather think he does ; yes, sir.

Q. Fully as well ?—A. Yes, sir ; I think he does.

Q. Why, then, do you ask a man in your division to pay those assessments ?—A. Because it is a generally recognized fact among all parties that those people are, perhaps, entitled to pay, and they should have an opportunity to pay.

Q. Now, do you think just as well of a man who, after you have taken the trouble to ask him to make a payment, which, as you say, he is entitled to make and should make—do you think as well of him after he refuses to accede to your request as if he paid ?—A. I certainly do. It has no effect upon me as a man, or upon my opinion of him as a man.

Q. Has it any effect upon you as an officer ?—A. Not at all, sir.

Q. Pardon me if I ask you why do you ask him, then, if you think it is just as proper for him to refuse as to pay ?—A. I think it is one of those things that a man should have the opportunity of doing, if he feels as though he would like to do it.

Q. Does it require your invitation to enable him to do it, if he is willing to do it otherwise ?—A. It requires just this invitation, so as to know when it is the proper opportunity to do it.

Q. These assessments, or whatever name you call them by, do not emanate from you in the first place ?—A. Not entirely ; no, sir.

Q. Do they in any case, you being simply a deputy collector ?—A. No ; they would not emanate from me. They would emanate from the person who had charge—

Q. Some other authority ?—A. Certainly they would, of course.

By Mr. STEWART :

Q. I suppose it would make some difference with you as to the nature of the excuse and his reason for it, in your estimation of him. If he gave the reason that he could not afford to spend the money, would you think anything less of him ?—A. No, sir ; not at all.

By Mr. CASSERLY :

Q. That would depend upon whether you thought that was the real reason or not, would it not ?—A. That is the natural feeling in any man's mind.

By Mr. STEWART :

Q. There has been some evidence here with regard to night permits ?—A. Yes, sir.

Q. Unloading in the night ?—A. Yes, sir.

Q. And the necessity for it ; as you have charge of that department, I didn't know but that you might know something of that ?—A. Night permits do not especially belong to my department ; that is, the issuing of night permits.

Q. What department are they issued from ?—A. The department that has charge of the entry clearances of the vessels themselves, which would be the fourth division.

Q. They are not issued now, I believe ?—A. Well, I think the reasons for issuing them have been drawn down more closely lately than they were heretofore.

Q. I didn't know but you had the thing under your department, and knew something about it ?—A. Latterly I have had more supervision over that, perhaps, during the time of the present collector, than I ever before.

By Mr. PRATT :

Q. In the effort to cut down the custom-house expenses, is there any lack in the number of entry-clerks in the custom-house by which importers are subject to any unnecessary delays in the payment of their duties, and their obtaining their permits ?—A. I think if we had been more liberally supplied with clerks, there are times when it would have been a very great advantage to the importer. I have no doubt about it.

Q. If the number of clerks were increased would it obviate the necessity of sending goods under general order frequently?—A. I think it would have very little effect upon that part of the business.

Q. Is there not sometimes so great a pressure that the merchant who is anxious to pay his duties and to get his permit is prevented by the rush of business so that he cannot get the permit within forty-eight hours after the vessel has entered, and his goods are, of necessity, sent under general order?—A. No, I think it would be impossible to find a case where a merchant had been delayed forty-eight hours in procuring his permit; it would be very unusual to find a case of that kind.

Q. You think that time is sufficient, do you, to enable every man who is desirous to obtain them?—A. I think the force in the office is sufficient at any time to get a permit within 48 hours.

By Mr. CASSERLY :

Q. That would always depend upon when he gets his invoice?—A. Yes, sir; but of course the custom-house has no business with that.

By Mr. PRATT

Q. The invoice comes in the mail, in the same vessel that brings the goods?—A. No, sir; I think a well organized importing house would make arrangements to have the invoice even before the arrival of the goods; his bill of lading, however, would necessarily come by that vessel.

Q. Is there not an invoice sent to the custom-house?—A. Certainly; there is an invoice comes to the custom-house—a triplicate invoice is forwarded by the consul.

Q. Now, could he not obtain his permit upon the custom-house invoice, if he failed to receive by mail his own invoice?—A. That is the method that most of the merchants resort to in case they fail to get their own by mail.

By Mr. CASSERLY :

Q. Let me ask you : Is not the consul's invoice just as likely to be late as the merchant's invoice?—A. That would depend a good deal upon the action of the consul; usually we get those in large bundles.

Q. The consul waits until he has a bundle, I suppose?—A. No; he sends them off every day, I think, by mail—every mail.

Q. Is not the merchant likely to be at least as expeditious with his invoice as the consul is?—A. That—I think not.

Q. That is a new thing in the world, that a public officer should be more prompt than a private citizen would be about his own business?—A. The idea would be this: that the consul having to make up his mail each night, might as well forward it as to keep it; the papers are left in his office for certain destination; there would be no interest in keeping them.

By Mr. PRATT :

Q. Is it not made a duty of the consul by the express terms of the law, as soon as he indorses the duplicates of the triplicate invoice, that he shall, by the earliest opportunity, send one copy to the custom-house?—A. That is my understanding of it.

By the CHAIRMAN :

Q. Suppose your entry-clerks receive, as I suppose they do, one, two, three—a dozen or more invoices before they can examine the first and make a return, what do they do with those twelve or more; do they take them up in the order in which they receive them or not?—A. You mean different invoices belonging to different persons.

Q. Yes, different parties?—A. My idea about it is that they take them up in the order in which they are left, as near as they can.

Q. Do you know whether they do or not?—A. I do not know whether they do or

Q. You have charge of that department?—A. Yes, sir.

Q. Should you not know it?—A. As I said before, I think the best evidence that they do is that I have heard very little complaint on this subject. I wouldn't know without there was—without it was a subject of complaint.

Q. Suppose they should have a dozen invoices and put them aside and take up the next one that follows, would there not be ground of complaint?—A. Certainly there would.

Q. Would it not be an unnecessary and improper delay?—A. Yes, sir.

Q. And you mean you have no complaints of that kind?—A. No, sir; no complaints of that kind of any serious nature.

Q. Let me ask you again in regard to the orders which are given to send particular packages to the appraiser's store; those are designated, if I understand, on the permit?—A. On the permit and on the invoice and on the entry.

Q. What becomes of the invoice?—A. The invoice is transmitted to the appraiser's store for examination.

Q. So that the appraiser has the mark the same as the permit has?—A. Yes, sir.

Q. And what other place?—A. And the entry which is retained in the collection office.

Q. Is that retained in the collection office?—A. Yes, sir.

Q. Is it on a book or on a sheet?—A. It is on the back of the entry, immediately over the affidavit, after importer.

Q. And that is always retained?—A. Yes, sir.

Q. Is there no way in which a person who receives a permit and an order to send a particular package to the appraiser's store may change the mark on the package, and send a different one?—A. I really don't see how a change could be effected, unless he used chemicals, and went through that sort of process.

Q. Suppose he did that?—A. Then the difficulty would be in his getting hold of all three of these papers.

Q. Would it be necessary for him to get hold of all three of these papers?—A. Certainly it would.

Q. How so?—A. If we should find a different number ordered in the invoice to what we found on the permit, we would naturally go into an investigation of that question.

Q. Are they ever compared?—A. O, yes.

Q. Do you mean that after a case is ordered to the appraiser's store, and the number of the case designated, that that number is compared with the one that remains in the collector's office?—A. I was going to answer in this way: After the invoice has been examined, and the return of the appraiser of the package ordered for examination, it then is put together with the entry—the original entry—and that entry is liquidated according to that return. The first business of the liquidating clerk would be to see that return of the appraiser agrees with the order of the deputy collector.

Q. Do you suppose they do that?—A. Yes, sir.

By Mr. PRATT:

Q. What is the oath you administer to the importer or consignee when he makes application to enter his goods—what does he swear to?—A. I can only give you the general nature of it, as I have never learned it; that it contains a true account of the valuation of the goods contained in the paper, which he then hands to the deputy collector, and that he either owns it or is consignee of it, and if he ever obtains any other information in regard to the value of those goods that he will make the collector aware of it.

Q. He swears, then, that the invoice contains a true account of all the goods that he has imported, and likewise that the prices set down there are the cost at the place of exportation?—A. Yes, sir.

Q. That oath is uniformly administered, is it, to any person who seeks to make an entry of goods?—A. To any person who comes there, and is properly authorized to make the entry.

By Mr. CASSERLY:

Q. The deputy collector has authority to designate the package to be sent to the public store for examination out of a number of packages of the same class of goods?—A. Yes, sir; any deputy collector doing the current business of the office; I think, under the present arrangement of the office there are four deputies, and two who are authorized to act as *ad interim* deputies—two chief clerks, who are authorized to act as *ad interim* deputies.

Q. Those are all the deputy collectors?—A. Yes, sir; those are all the deputy collectors who do what we call the current work of the office, such as passing entries.

Q. What deputy, if any, generally designates the packages to go to the appraiser's store?—A. Any one of those that I have just mentioned.

Q. Does any one of the number do it more frequently than the rest?—A. That would altogether depend upon the ability of one man to do more work than the other.

Q. I don't think you understand me.—A. Yes, I do, exactly; I mean to say—

Q. Now let me see if you do. What one of those deputy collectors in the course of the year designates the greatest number of packages to go to the public store?—A. The answer would be just exactly as it was before; altogether depending upon the ability of one man to do more work than either one of the other seven gentlemen I have just spoken of. It is a question of how much work a man can do.

Q. Is that the only element in the estimate?—A. That's the only element. The business is so much crowded that I am never at my desk a single instant without a rush of that kind of business.

Q. You don't mean to be understood as saying that that business monopolizes your whole time?—A. Except when I run and steal away my time to attend to something else.

Q. You have a good deal of other business in your office besides designating packages to go to the public store?—A. A great deal, sir.

Q. Then how much of your time do you say is given up to designating packages to

go to the public store?—A. It would be hard to make the estimate of that amount of time. It would really be hard to make the estimate of that amount of time one's time is occupied in that branch of business.

Q. Give us an estimate as near as you can.—A. Well, about three-quarters of your time; I suppose that's it. It would be just the question of swearing the importer and then the proper passage of the entry afterward. The principal part is designating the numbers to be sent to the appraiser's store for examination.

Q. Do I understand you that that matter of swearing the importer to his entry, and designating the packages, occupies about three-quarters of your time from day to day?—A. Yes, sir.

Q. Are all the other deputy collectors whom you have designated equally busy?—A. Yes, sir.

Q. Then I understand you to say it is perfectly impossible to say what deputy collector designates the largest number of packages in a given period?—A. I should think the two deputy collectors in charge of the sixth and seventh divisions would probably pass more entries than any other two deputy collectors in the office.

Q. Name those two gentlemen and name their divisions.—A. Mr. Gaylord of the sixth, and Mr. Morris of the seventh.

Q. You have merely numbered their divisions. What is the name of the divisions?—A. The name of the divisions is, of course, the sixth and seventh.

Q. That is the number; what is the name?—A. That is all we know of them. They have specialties besides that appertain to the business of the office; for instance, the seventh division has charge of the invoices, particularly after they have been returned from the appraiser's department.

Q. Then call that the invoice department.—A. Well, perhaps that would be very good, but we are not very apt to designate it that way.

Q. What is your division called?—A. The fifth division, if you are going to classify it that way. That would be the classification I give it at the start, having charge of the entries of merchandise.

Q. Mr. James has the warehouse division?—A. Yes, sir. We know that by the name of the third division.

Q. He designated it himself here as the warehouse division.—A. Yes; well, that is quite common around the office for the reason that it is the largest division, and has a larger number of people in it than any other division in the collector's office.

Q. Now, you have designated the division of one of those gentlemen whom you have named as the division which has charge of the invoices?—A. Yes, sir.

Q. What is the other division?—A. The other division under that classification would properly be called the order division; that is, the division that issues the order for the delivery of packages which have been sent to the appraiser's store after the liquidation—after it has been reported on for the delivery of packages from the public store.

Q. To the appraiser?—A. No; to the merchant, after they have passed the appraiser.

Q. That is a permit?—A. No, sir; that is a delivery order.

By Mr. BAYARD:

Q. I would like to ask you this: You have given us the names of five deputy collectors and of two collectors *ad interim*, making seven persons, any of whom and all of whom are occupied in swearing the importers to the truth of their entries, and in designating the packages which shall be sent from the invoices for examination at the appraiser's stores.—A. Yes, sir.

Q. And I understand you that those seven gentlemen are all in the same department.—A. Of course they are—all.

Q. Working together at the same business at the same time?—A. They are each at their respective desks in different parts of the custom-house, yes, sir.

Q. Now, what I ask you is, can an importer go to any one of those for the purpose of having his entries checked?—A. Any one he pleases.

Q. Therefore, he may go always to the same one if he sees fit?—A. Yes, sir.

Q. He can, therefore, have his entry attested and his goods designated always by the same officer if he sees fit?—A. Certainly he can.

By Mr. CASSERLY:

Q. Let me ask you, is the business of the merchant with the entry clerks generally transacted in our days through brokers?—A. I believe it is mostly—yes, sir; undoubtedly more through brokers than it is—

Q. It is rather important to the brokers to be on good terms with the entry clerks, isn't it?—A. Yes, sir; I suppose it is.

Q. And might not that help to explain the scarcity of complaint to you against entry clerks?—A. O, no; those brokers generally will look out for their own interests. They won't stand that very long.

Q. Might it not help to explain the unwillingness of brokers to make a complaint even where they felt they had ground?—A. Well, there might be something in that—there might be something in that idea.

Q. How many entry clerks have you?—A. I think there are thirteen—twelve or thirteen, I am not certain which.

Q. Those gentlemen have to pass a great multitude of invoices daily, don't they?—A. Yes, sir; a great many.

Q. A great mass of invoices.—A. Yes, sir. For instance, one day last week we took in nearly \$1,000,000. It gives an immense amount of work.

Q. You have said something in regard to the paying of money to the entry clerks on the part of importers, and have spoken of it as a tradition. Are you in a position where you would be likely to know much about that subject?—A. No; I am under the impression that if there is anything of that kind going on I, perhaps, would be the last one in the world that would be in a position to know it.

Q. Pains would rather be taken to keep the fact away from you as much and as long as possible?—A. I think very likely—yes, sir.

Q. It would be a matter over which your official duty properly extends?—A. It would involve a question of discipline.

Q. And which you would be obliged, of course, to take notice of in some prompt and decided manner?—A. Yes, sir.

Q. There is one subject to which you have testified which strikes me as of considerable interest to the committee, because it must interest the mercantile community here greatly. I refer to the merchants or their agents reaching the desk of the cashier from day to day to deposit their money and close up their business with him, so far as they have business with the cashier. I understood you to say that the practice is at 3 o'clock for the cashier to close his office.—A. Yes, sir; that is, so far as the collection of duties is concerned. He goes on and collects fees and all that sort of thing as long as they present themselves.

Q. But I am speaking now of the payment of duties.—A. It is so, sir.

Q. You also mentioned that that was in a manner obligatory upon the cashier, because of the necessity of making his deposits with the assistant treasurer, from day to day, by 3 o'clock.—A. Yes, sir; that probably is the principal reason of so imperative an order to shut down at 3 o'clock, because he must have time to close his accounts.

Q. The assistant treasurer, however, retains in his vaults all moneys that he receives from day to day from the cashier, does he not?—A. Really I have no means of knowing what he does with it.

Q. That's the regular course of his business, is it not?—A. Yes, sir; to receipt for that money, of course.

Q. Do you know of any reason why, that being the regular course of his business, he should not receive the deposits of the cashier as late as 4 o'clock in the day?—A. I don't know of any particular reason that that would interfere with.

Q. Wouldn't that have a very great effect in facilitating the business of the cashier's office in regard to the payment of duties?—A. Merchants could facilitate their own business much better by paying their own duties, instead of leaving it to their brokers to pay. That would be the greatest facilitating.

Q. Now, don't you think it may be safely left to the merchant to judge of that subject himself?—A. No, sir; I don't think so. As I testified last winter before this committee, I don't think the merchants understood their own business in their transactions with the custom-house.

Q. Their idea of employing brokers is, that men who devote themselves to this particular business are more likely to attend to it efficiently and promptly than the merchants; that's the idea, is it not?—A. When I am asked to testify as to my opinion on that subject, as to where the difficulty lies, I can see exactly where it lies.

Q. You don't differ from me as to the idea of the merchant in employing brokers, do you?—A. I think it would be much better for the merchants, and much better for the Government, if they would attend to their custom-house work themselves.

By Mr. STEWART:

Q. I don't exactly see that.—A. I say I think it would be much better for the merchants if they would attend to their custom-house business themselves and give it their personal attention.

By Mr. CASSERLY:

Q. You don't mean to say that Henry B. Claflin should attend to his custom-house business?—A. The best evidence that he should is that he does, by his own clerk and himself. He comes down and swears to his entries, and has his own personal clerk to attend to it, instead of employing a broker.

Q. I would like to understand what you do mean. Please state in what way you think the merchants should personally attend to their own entries in the custom-house, and how the fact of their personally attending to that would enable them to expedite

their business.—A. In the first place, they should be compelled, necessarily, to come down there and swear themselves to the correctness of their invoices.

By Mr. PRATT:

Q. At that point let me interpose an inquiry. Do you, in point of fact, at the custom-house allow a broker or the clerk of the merchant to make that oath, instead of the merchant himself?—A. The merchant under the law has a right to authorize anybody, by attorney, to go and swear for him, provided he is out of town.

Q. But suppose he is in town?—A. If it was known that his attorney attempted to exercise that prerogative while he was in town, he wouldn't be allowed to do it. The unfortunate part of it is, that they are allowed to do business by attorney, and there is not always time to stop and inquire into that question.

By Mr. CASSERLY:

Q. I understand you to say that you think the merchant should be required to come there himself and swear to his entries?—A. Yes, sir.

Q. In what way do you think that would expedite his business and avoid the difficulty which arises from the habit of the cashier of closing his office at 3 in the afternoon, no matter how many people are waiting?—A. The result of that would be, the moment he was ready to pay the duty upon it he would go to the cashier's office and pay it, instead of the broker keeping all the money of customers until 2 or 3 o'clock in the afternoon, for the purpose of paying them together.

Q. Then you don't think it would give any real relief to the community on the subject I have been speaking of if the cashier was required to receive deposits up to 4 o'clock, or a short time before?—A. I have no idea that the public would receive any relief from that. So far as that is concerned, I have never heard serious complaint enough to make that a complaint.

Q. Do you think the rule of the cashier should be changed, so that parties in the room at 3 o'clock might be allowed to complete their business with him, so far as paying duties is concerned?—A. They are now, sir. At 3 o'clock his outer doors are closed, and all paid who are inside of it.

Q. How long a time does that sometimes require?—A. I have known it to take three-quarters of an hour. I have known it to take over an hour.

Q. What deputy collector appoints the umpires where there is a second appraisement of merchandise, where there is a dispute between the merchant and the appraiser?—A. I generally do that. I am there when the application for the appointment of an appraiser is made.

Q. Is that confined to cases of damage, or does it extend to all questions of difference between the merchant and the appraiser?—A. There is no such a thing as a merchant appraiser, except in case of difference of opinion between the appraiser and the invoice as to the dutiable value of goods.

Q. It does not extend to a case of damage then?—A. No, sir.

Q. How long have you exercised that authority?—A. Ever since I had charge of the fifth division.

Q. It is incident, then, to that deputy collector?—A. Yes, sir.

Q. What is the course in the appointment of those appraisers; how are the three constituted?—A. There is only one, you know. The general appraiser acts as one of the gentlemen to make the appraisement; the other is the selection made to assist him from the merchants who may be conversant with that particular line of business.

Q. Made by whom?—A. Well, that is the selection I usually make.

Q. Then it is perhaps hardly correct to describe him as an umpire; he is the merchant appraiser?—A. He is the merchant appointed to assist the general appraiser.

Q. There is no third party to that appraisement as an officer of that appraisement?—A. No, sir; the law provides that upon disagreement between these two gentlemen, the collector shall decide. If those two gentlemen don't agree, it is the business of the collector to take sides with either one or the other; that prerogative is generally left to the collector himself.

Mr. CASSERLY. I desired to ask you those questions for my own satisfaction. I shall not trouble you further.

By Mr. BAYARD:

Q. I understood you to say that while these five deputy collectors and the two collectors, or the two gentlemen who exercised the duty of collectors *ad interim*, were at work passing entries and designating goods for public store, a merchant could choose any one of the seven to designate these goods?—A. Yes, sir.

Q. That he could perfectly well choose none but one at all times before whom to make these entries?—A. For instance, if he has an entry to swear to, he can go to any deputy collector he chooses.

Q. And he can go always to the same one?—A. There is nothing in the world to hinder him.

Q. Now, supposing the entry to be before you, have you any rule before your mind

in designating packages for general order?—A. The rule is, that where they are the ordinary dry-goods, to select as near as you can one in ten of the packages at random. From the very nature of the business and from the position of the papers at that time, there can be no other rule established but that. A man going to study over the invoice—I might as well explain—if he should go to studying over those invoices as to which of the packages was most valuable to send to the public store, and now a study would probably leave him where he commenced, so that it results at random in selecting one of the number.

Q. It then amounts to a hap-hazard choice of the numbers to go?—A. Certainly, sir.

Q. When that is done by one of the seven gentlemen having authority, is there any check upon your authority at all; does any one supervise, or change, or has any one the right?—A. No, sir. The naval officer, however, has the right to require additional numbers if he chooses.

Q. When would that occur to him?—A. The permit has to go to him for signature before it is delivered. That would probably be the proper and, perhaps, the only time that he would have the opportunity.

Q. Is it not there in that office that he leaves his duplicate, with the entry in that way?—A. Yes, sir.

Q. Is it customary that the naval officer has anything to do with the designating?—A. I have known them to.

Q. How often?—A. Very seldom, indeed.

Q. What was the object of that interference?—A. I really couldn't tell you, without it was just to remind us that he had that right.

Q. But such a thing might be?—A. Yes, sir.

Q. That was all?—A. There has never been any unpleasantness in the office in regard to that.

Q. As a point of actual practice in the business the thing is not done?—A. The thing is not done—no, sir.

Q. I understand that under our system of collecting duties, being based upon the value of the articles, the Government depends upon the certificate of its own appraiser, its own examiner?—A. Yes, sir.

Q. Whether he be a weigher?—A. Or appraiser.

Q. Its own officer for the ascertainment of what is properly due to it?—A. Yes.

Q. Now I ask you whether in all cases the means of that information are not within the hands of the Government?—A. As I understand that question, I should say it was.

Q. The merchant's invoice, which he presents to you, with the bill of lading, is only to identify the marks and numbers?—A. Yes, sir.

Q. And their size?—A. Yes, sir; and to satisfy the officer that it is properly presented to make the entry. It is only an examination for identity.

Q. The merchant's entry corresponds with the invoiced prices, and is to enable you to establish a cautionary deposit for duties by him?—A. Yes, sir.

Q. That is all?—A. Yes, sir.

Q. You don't look to his invoice for the real value to assess the duty, but to ascertain the probable amount of duty when the goods are appraised?—A. You speak of the time the duties are first estimated?

Q. Yes, sir.—A. Yes, sir. The operation of that is that he presents the invoice transferred to his entry, and to that he swears.

Q. You don't look to that for the value of the goods, except from your ascertainment of them?—A. No, sir. The deputy clerk passing the entry doesn't know the value.

Q. Not at all?—A. No, sir.

Q. When you come to liquidate your duties, you do them upon the basis of your examination, independent of the merchant's oath?—A. Yes, sir.

Q. Suppose the merchant's invoice is rather below the market rate, what is done?—A. He is notified by special messenger that the appraisers have ascertained the value of his invoice at a certain per cent. above the amount entered by him; if he chooses to appeal from that report, he must do it within twenty-four hours.

Q. To whom does he appeal?—A. To the collector, for the appointment of merchant appraisers.

Q. Now, suppose that the opinion of the Government appraisers is sustained, what is then done?—A. If the amount exceeds the invoice by 10 per cent. the invoice is sent to the seizure bureau of the custom-house for investigation as to the question whether or not there is probable fraud in the matter, or, in other words, whether it is an intentional undervaluation.

Q. Do you depend, in that matter, upon what the merchant actually gives for the goods, or upon the market value, in ascertaining the value as to whether there was fraudulent undervaluation or not?—A. We are relieved from any question about it by the operation of the law, which demands that the value shall be the same as the market value at the time of the sailing of the vessel from the foreign port.

Q. No matter what he paid for them?—A. No, sir.

Q. That would make no difference at all?—A. No, sir.

Q. As you don't depend upon the merchant's invoice at all for the value of the goods, what is there in it which makes a difference whether he puts them in at one price or another?—A. The law gives him the opportunity, in case his invoice is not up to that market value at the time, and before he verifies it before the collector, to make an addition to it, and come up to that market value.

Q. As you don't depend for the ascertainment of duties due the Government upon the amount of the merchant's invoice, what difference does it make to the Government, as they disregard what he states?—A. They must necessarily disregard it at that time, but they can't disregard the report of their own officer, who is appointed to fix its dutiable value.

Q. The amount of duties ascertained by them depends upon the appraisement, and not upon the merchant's invoice?—A. Of course it does.

Q. As they disregard his invoice altogether in ascertaining the duties, what difference does it make to the Government whether his invoice is correct or not?—A. It would make a difference of the loss of duties as between a correct and incorrect valuation.

Q. The question of correctness is settled by their own appraisers, and not by the merchant's invoice?—A. The operation of the law is to make the appraiser the judge of the dutiable value of the merchandise, and to make an examination into that very question, as to whether the invoice is correct or not.

Q. It depends upon the appraiser entirely what duties are to be paid?—A. It depends upon the appraiser's report whether that invoiced value is correct or not.

Q. They look for the certificate of their own appraiser as to the duties?—A. I think it is the seventh section of the act of 1865 that makes it the duty of the importer, whenever he declares his value, at that time, for him, for himself, to fix the dutiable value of his merchandise. If the appraiser should find that that valuation is 10 per cent. or more below the market value, he then goes on and assesses the penal duty, &c.

Q. Does the 10 per cent. apply only to the value?—A. Yes, sir.

Q. And not the quantity?—A. No, sir. We are acting now under decisions where the duties are entirely specific.

Q. Let me put the converse of this proposition. Suppose the invoice is higher than the market rate, what is then done?—A. By a provision of a section of the same act the collector is precluded from taking duty on less than the invoice.

Q. It is a rule, then, that doesn't work both ways?—A. It certainly does not work both ways. I have often said that it is like the handle of a jug—all on one side.

Q. Suppose a man buys goods in Liverpool, and after he has purchased them, the rate has very much advanced, which frequently occurs from various causes, what would be the action of the custom-house?—A. To assess the penal duty.

Q. And forfeit his goods?—A. Not necessarily forfeit them—not at all.

Q. What is the penalty?—A. It would be an additional duty of 20 per cent. in consequence of his goods being entered at more than 10 per cent. less than the market value at the time of shipment.

Q. Although the Government has the opportunity to appraise the goods and fix the rate of duty upon them, and although the importer's invoice was correct, as to the dutiable value of the goods at the time of shipment, yet, because some circumstances, over which he has no control, has advanced the value of his goods, his goods are penalized in law by that result?—A. Your proposition would be perfectly correct under the law, if, instead of saying *dutiable* value, you say the price which he actually paid for them.

Q. No, sir. I understand you to say that, no matter what he paid, that has nothing to do with it; he may forfeit his whole invoice, and you could declare that his goods were 10 per cent. below the value of goods abroad?—A. There would be but little danger of his forfeiting, unless we could prove that he intended to make that as a fraudulent valuation.

Q. You make the intendment of fraud, from the mere fact of undervaluation of goods, although that may be the precise price he paid for them?—A. No, sir. I suppose the question of forfeiture, on such a question of that kind, does not come up one time in a hundred, in proportion to the number of undervaluations.

Q. It is capable of that construction?—A. He is likely to be put on a trial for the forfeiture of his goods.

Q. Although he may tell the precise truth as to what he has given for the goods?—A. No doubt about that.

Q. I understand you to say that if the market has gone down abroad, he still has to pay his duty on the rate he bought them at?—A. Yes, sir.

Q. You also referred here to a method of fraud in changing invoices, in your testimony given a year ago. You say, in speaking of the ingenious methods resorted to by men, that they will change the numbers after they have been designated in your department for examination in the appraiser's store, by tearing up the entries?—A. Yes, sir.

Q. Suppose that case to have occurred, what is the condition of things after that is

done?—A. If a man is intending to do that, he would probably supply himself with a duplicate invoice and bill of lading. If he didn't succeed in getting the proper number ordered for examination the first time he would probably try it again.

Q. Have you no record to show that it was a second attempt on his part?—A. It wouldn't develop itself at that time.

Q. That would be before the papers got to the naval officer's department?—A. Yes, sir; before he had received his permit.

Q. But on the permit would be designated the goods that were to go to the appraiser's store?—A. Yes, sir; and it is immediately handed back to him.

Q. The invoices are executed in triplicate?—A. Yes, sir.

Q. And one copy is retained by the consul?—A. Yes, sir.

Q. And one copy forwarded to the custom-house at the point of destination?—A. Yes, sir.

Q. And one retained by the merchant?—A. Yes, sir.

Q. Is there always a comparison between the invoice presented and the one that is kept on file in the custom-house?—A. Very seldom—not necessarily.

Q. Suppose they don't correspond?—A. The merchant would very naturally be called upon to make an explanation of that. That question would hardly be called up except upon a question of examination into an intentional fraud.

Q. At the time you say these men tear up entries?—A. [Interrupting.] I didn't say it was ever done; it might be done, as I have stated.

Q. I will read from your testimony given before the former committee. A question was put to you as to whether there was fraud committed by changing the invoice, and you answered that there have been all sorts of ingenious methods used to get rid of the requirements of law, and that they are always studying on that point; and they change the numbers, by a system of tearing up the invoices?—A. That answer was probably made in consequence of having heard that was one of the methods by which that thing was done.

Q. It is our object to ascertain how frauds shall be prevented.—A. Yes, sir.

Q. Now, take the case which you have supposed to exist, which you say is a hypothetical case, having no basis in fact.—A. Yes, sir; I have no particular case to refer to to substantiate that statement.

Q. Although you said it was a system at that time?—A. That is the way it was put down there, I suppose.

Q. Suppose that case to have occurred, however, that a merchant has got his permit to a point where the packages for examination by the appraiser have been designated by the deputy collector, but has not yet gone into the naval office, where he would drop the duplicate and obtain his final permit for the delivery of the goods, is not his invoice annexed to his entry?—A. No, sir; entirely disconnected from it.

Q. Is the invoice checked by any officer?—A. Yes, sir; it has the stamp of the entry clerk upon it.

Q. Then the invoice would show that it had been on its way through the custom-house?—A. Yes, sir, if he attempted to use that invoice again.

Q. If that invoice is a triplicate of which you have an exact counterpart on file in the appraiser's department, and that man starts again, he can't use that invoice again?—A. No, sir.

Q. Suppose he brings an invoice that doesn't correspond with the one on file, wouldn't that be complete evidence of his fraud?—A. Yes, sir.

Q. Then you would have the means to detect him in that?—A. Yes, sir; but if he brought an exact copy of the invoice, we probably would not by that piece of machinery.

Q. Then, as we now stand, it is in the power of a merchant to put his goods half way through the custom-house, and if he finds the numbers designated do not suit him he can begin over again?—A. Certainly.

Q. And when the cases which he wants sent to the general-order store have been designated, or rather those he don't want have been omitted, he can commit the frauds you have referred to?—A. That is possible.

By Mr. PRATT:

Q. Do I understand that the importer has any voice at all in the packages to be sent to the appraiser's store?—A. Not the least in the world, except he should choose to disagree. He has no control over that whatever, unless he should choose to disagree with it after it was all done, and then tear up his papers and start over again, and then run the risk of getting something to suit him better the next time.

Q. He need not have packages sent to the appraiser's store that he does not want sent there?—A. O, yes, without he resorts to this practice.

By Mr. BAYARD:

Q. This is a method then, patent or not?—A. Yes, sir.

Q. He could then start anew?—A. Yes, sir.

Q. You know something of the general-order system, don't you—you understand it?
—A. Yes, sir.

Q. And its workings?—A. Yes, sir.

Q. It isn't within your precise department?—A. No, sir; I have no control or supervision over it.

Q. Has or has not the collector of the port control over the rates charged by parties who have been designated as general-order warehouse-men?—A. I should think by the law he hadn't.

Q. Suppose we go outside of the law, as is done sometimes. Has he a practical control over it?—A. He would have just this control over it—by saying to a person having a store which was designated as a general-order store that if he didn't make his rates more reasonable he would change it.

Q. Then, if there was a system of exorbitant charges, prejudicial to the commerce of the port and unjust to the merchant, the collector has practically the power to control it?—A. By changing the general order to some other store of that class.

Q. Then he has, in fact, a practical control of those charges to the extent of preventing any man from continuing who was exorbitant in his rates, if he thought fit to do so?—A. If he has time to go into that question—yes, sir.

Q. That is so, distinctly, is it not?—A. He has the right of designating the general-order stores.

Q. But where a man abuses the confidence reposed in him he has a right to recall it?—A. The designation is made without any limit; he can change it at his own pleasure and will—whenever he pleases.

Q. Then there is always, to that extent, a remedy in the hands of the collector for excessive charges in general order?—A. There is, to that extent.

Q. And at his pleasure he can designate what bonded warehouse he pleases as a general-order store?—A. The law makes it his duty to select some stores from the bonded warehouses to be used as general-order stores.

Q. If one of these men overcharge he can move the general-order business to another store?—A. Yes, sir.

By Mr. PRATT:

Q. Is there not this check against overcharge by the proprietors of the general-order store—are not the charges themselves fixed by the very terms of the statute to correspond to and not exceed those established for like services by the Chamber of Commerce of the port?—A. No; I think that that more properly comes in in the Treasury regulations, establishing the general-order business, under the act of 1854.

Q. Is not the president of the Chamber of Commerce made, by law, the tribunal to which an appeal may be taken?—A. No, sir; I think not.

Q. In every case of disagreement?—A. Not by law.

Q. Well, by Treasury regulations?—A. Yes, sir.

Q. You think that depends upon Treasury regulations, and not upon statute?—A. Yes, sir.

Q. So that the president of the Chamber of Commerce would be the umpire in case of any dispute, would he, at the time of the commencement of this general-order business?—A. Under the present practice the Chamber of Commerce co-operates with the custom-house, in making a schedule of prices; I think that was done in 1857. I think that so far as that is concerned it never has been done until recently, when the present collector invited the Chamber of Commerce to meet a committee from the custom-house and some warehouse-men for the purpose of revising those rates.

Q. So there is, practically, no appeal except to the collector, and the collector having the power to designate the general-order stores, has thus, indirectly, the control over the prices charged?—A. That is the exact situation. The act of 1854 directed, at that time, the canceling of the leases that the Government then held upon buildings, for the purpose of doing this storage business itself. The law compelled the business to go into the hands of persons occupying bonded warehouses.

Q. Do you know the process by which liquors are sampled on the docks?—A. Practically, I don't. No, sir.

Q. Do you know, as a matter of fact, that a certain quantity is drawn off and sent to the appraiser's office?—A. I know, as a matter of fact, that there are what we call samplers in the appraiser's department, whose business it is to go around the docks and procure samples from packages.

Q. They are taken in little bottles to the appraiser's office?—A. Yes, sir; in a basket.

Q. And there examined?—A. Yes, sir.

Q. About what quantity is drawn off for instituting this test?—A. I should think a half pint or a pint—somewhere about that.

By Mr. CASSERLY:

Q. Is there no practice by which the United States gauger gauges and tests the spir-

its on the dock?—A. I really am not conversant with that part of his business—how he arrives at that gauging test.

Q. Both as to quantity and proof?—A. I don't know what his practice is in that respect.

Q. Do I understand you to say, besides the duties performed in that direction by the ganger, there is a sampling, also, for the use of the appraiser's department?—A. Yes, sir; entirely distinct, and by a different branch of the Government entirely.

Q. After the ganger has ascertained the quantity and the proof, is there still a question as to the quantity of the article to be settled by the appraiser?—A. Yes, sir. So far as that question is concerned—the question of the examination by the ganger as to the proof—I don't see what practical benefit or result it is to the Government, either one way or the other, because that account of strength or proof is not used at all in estimating the duties. That estimate is made by the sample taken to the appraiser's store, and there made up by actual test.

Q. Do you say the question of proof does not enter at all into the element of value?—A. That question of proof as taken on the dock by the ganger?

Q. That is what I mean. It is of no utility in determining the question of value?—A. I know nothing in relation to its use at all, for any purpose.

Q. You have said something as to the subject of the selection of the general-order warehouses. There are different classes of warehouses under the law and Treasury regulations at this port, are there not?—A. Yes, sir.

Q. The general-order warehouses belong to class three of warehouses?—A. Yes, sir.

Q. Am I correct in supposing that before a warehouse can be recorded as a warehouse of class three it must have been approved by the Secretary of the Treasury?—A. Yes, sir.

Q. And a general-order business must by law go to a warehouse of class three?—A. Yes, sir.

Q. Do you know, so as to speak with any certainty on the subject, whether general-order warehouses, now in use in this city by Leet & Stocking, have been approved as warehouses of class three by the Secretary of the Treasury?—A. I don't know that I have ever seen the letter from the Secretary, but as a matter of fact they could not have been used as warehouses of class three without the approval of the Secretary.

Q. Not legally?—A. No, sir. The record could be subpoenaed to show whether it is or not.

Q. What officer of the custom-house would have the custody of the papers necessary to show that fact?—A. Mr. Clench, I think.

Q. Not Mr. James?—A. It would be only a question whether he had taken a copy of the letter. Mr. Clench would have the original.

Q. I understand you, then, there must be a written approval of the Secretary of the Treasury on file in the custom-house?—A. Yes, sir; approving that building as a warehouse of the third class.

Q. Naming each of these general-order warehouses as a warehouse of the third class?—A. Yes, sir.

By Mr. PRATT:

Q. Does the ganger make tests for any purposes except quantity?—A. That is all, as I understand it.

By Mr. CASSERLY:

Q. Is the designation by the collector of a store for the general-order business made in writing?—A. While I was in the warehouse room it used to come through the deputy. The collector informs the deputy of that division which stores to use.

Q. Is that direction from the collector in writing?—A. I think it is very unusual to put it in writing.

Q. Very unusual?—A. I should think so; it would be just the same as any other order given to his deputy.

Q. In regard to the general-order business: so far as we have proof here, it appears that Mr. Grinnell made his designation in writing?—A. I should think that quite out of the usual course. It would be a matter that he had control of directly at once, in his own office—that he could change in any instance he chose. I should think the usual way would be to say to the deputy, "You make your division so and so."

Q. If the deputy wishes to impose express limitation in the exercise of the power or right to receive general-order goods, ought they not to be expressed in writing?—A. I suppose the record-book would show the same thing, of the deputy saying to the clerk in charge of the business, when a vessel arrives within a certain limit send her general order to so and so. There is a record made of each one of them.

Q. My question was whether there should not be something in writing to show the limitations imposed by the collector as to the charges when he designates the general-

order stores?—A. Perhaps it would give a great deal of satisfaction if that was the regulation of law on the subject.

Q. Is it usual or not for the collector to make limitations in designating a general-order store, as to charges?—A. Not at all, sir. It is a question in law with which he has really nothing to do.

Q. It is in proof before the committee that in one instance, at least, and perhaps in more, Mr. Grinnell, in designating a store for the general-order business, required that the charges should not exceed those charged by the bonded warehouses?—A. Well, I can only say in answer to that that I don't know anything about it, whether he did or did not. I hadn't charge of the general warehouse business under Mr. Grinnell. Mr. Williams was the deputy collector at that time.

Q. Do you not think that a limitation of some kind is eminently proper and deserves to be expressed in writing by the collectors, in view of the condition of things in this city, and the condition of public feeling on this subject?—A. I think it would amount to pretty nearly the same state of things that we are having now in that respect. It is almost impossible for a person to sit in his office, or to sit in a room, and make a law that will suit all cases. It brings it right down to this: that as long as there is no complaint about it we can know nothing of what is going on about it.

Q. Do I understand you to say that there is no particular utility in the collector's limiting in writing the charges which general-order stores are to make?—A. That would be almost an impossibility to define it upon paper as to what charges would be proper, owing to the varied sizes of packages, and the varied circumstances under which they come into the store. To make an imperative rule, that would seem to be almost impossible. Some packages take four horses to bring them in, and other packages are so small that a man can handle them.

By Mr. BAYARD :

Q. The exception always proves the rule.—A. Yes, sir.

By Mr. CASSERLY :

Q. Is that the only reason you give for your opinion, that limitations in writing would be found impracticable in fact?—A. That would be one of the principal reasons.

By Mr. BAYARD :

Q. You say that the collector has no power in law, yet that he has the practical control of the question to this extent, that whenever he has reason to believe, or that he either is displeased himself, or that the community were displeased at the exorbitant rate of charges, he can take away the general-order business from the person making those charges?—A. Yes, sir.

Q. And put it into the hands of other parties?—A. Yes, sir.

Q. At any time he pleases?—A. Yes, sir.

Q. Instantly?—A. Yes, sir.

Q. In your long experience have you witnessed a good deal of weighing of goods on the dock?—A. I never saw an article weighed in my life.

FIFTH AVENUE HOTEL, NEW YORK, *January 31, 1872.*

EUGENE O'SHEA, being recalled, testified as follows :

By Mr. CASSERLY :

Question. What is the total number of the general-order tickets that you have shown us here from the steamship *Donau*?—Answer. I believe there are 122 or 123.

Q. Of that number how many of them are marked bad order?—A. I think there are 23, sir.

Q. I find one marked "coopered on dock." Is that considered a mark which questions the good order of the package?—A. I don't know, sir; we pay no attention to these pencil marks on our tickets, not knowing who makes them or at what time it may be done.

Q. I observe out of the whole number 123 there is one marked with what is intended to be the word "valuable"?—A. Yes, sir; we didn't know the contents of those packages at all.

Q. That isn't your mark at all?—A. No, sir; that is a pencil mark; we don't do anything with pencil marks.

Q. Did that mark come to you from the general-order store?—A. I don't know; I suppose it did.

Q. You have had charge of the tickets, haven't you?—A. My partners attended to those tickets.

Q. You gave out the ticket to the carman?—A. Yes, sir.

- Q. And he returned the ticket to you in due course of business ?—A. Yes, sir.
- Q. That is not your mark ?—A. No, sir.
- Q. Where could it be put on except in the general-order store ?—A. I don't know ; it might be put on anywhere—on the dock. We pay no attention to pencil marks.
- Q. Who would have authority to put such a mark as that on a ticket ?—A. I don't know, sir ; we don't know the contents of the packages.
- Q. I understand all about that. I am a little surprised that you are unable to say where such a mark as that got upon that ticket.—A. I don't know, sir.
- Q. What is that mark of 79 gallons upon one of the tickets ?—A. I don't know anything about it.
- Q. Can you read it ?—A. It says 79 gallons of something ; I don't know what it is.
- Q. Whose mark is that ?—A. I don't know, sir ; it is in pencil.
- Q. Don't you know enough about the course of business between you, as the inspector, and the general-order store-keeper, to be able to tell where these marks could have been rightfully put on ?—A. No, sir ; we have no dealings with the general-order stores—none whatever. We send them goods and receive tickets in return. I never was in a general-order store.
- Q. Do you know enough to say where your tickets go to ?—A. Yes, sir.
- Q. Where do they go ?—A. To the general-order store.
- Q. From that they come back to you ?—A. Yes, sir ; with that signature.
- Q. Has anybody authority to put marks upon your tickets, except the general-order store-keeper ?—A. I suppose not. At any rate these pencil marks don't amount to anything with us ; they are not official ; they are easily erased.
- Q. I am not considering that, but the course of practice of you at one end of the general-order warehouse at the other end.—A. Yes, sir.
- Q. I understood you to say that out of these 123 tickets there are 23 in bad order ?—A. Yes, sir, "B. O.," which I don't take any notice of, not the slightest.
- Q. I didn't ask you that, but how many of the 123 tickets had the bad-order mark upon them ?—A. About 22 or 23.
- Q. One I find marked "valuable."—A. They must have opened the package.
- Q. No ; not necessarily, as I understand the matter. What was the general condition of the *Doneau* ?—A. It was in very good condition.
- Q. She is a fine, new ship ?—A. Yes, sir.
- Q. A very large ship ?—A. Yes, sir.
- Q. Yet here are 23 out of 123 general-order packages returned marked "B. O.," which we understand, in the committee, to mean bad order. Is that correct ?—A. I don't understand it as such. You may, but I don't.
- Q. I am asking you about the number, and not about the bad order, because I understand your position on that.—A. Yes, sir ; there are "B. O." on 23 packages out of 123 ; that is all I know about it ; I know that I didn't use them badly on the dock, and didn't open them.
- Q. Did you notice any such number of packages as that in bad order coming out of the ship into general-order business ?—A. No, sir ; not one package in bad order—not one.

The CHAIRMAN laid before the committee a communication showing the total distributive shares of forfeiture accruing to the respective officers entitled to the same, from April 8, 1861, to December 30, 1871.

Also, a communication transmitting the number of removals and appointments during the terms of office of the respective collectors mentioned in the request of the committee for such information.

Also, a communication transmitting a press-copy, from the office, of a letter to the Chamber of Commerce in regard to the rates of storage and labor on unclaimed goods, and setting forth that the Chamber of Commerce have appointed a committee to consider the question of storage, labor, &c.

Also, a communication from L. Dent, asking to be called before the committee as a witness.

Also, a communication from John B. Randolph, stating that he had been an inspector of the custom-house at the port of New York, and that he would be glad to give any information he has in regard to the abuses of the general-order system.

Adjourned until 10 a. m. to-morrow.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 1872.*

The committee met at 11 o'clock, when proceedings were resumed.

A. DE L. ROGERS, a witness, being duly sworn, testifies :

By the CHAIRMAN :

Question. What is your business ?—Answer. I am a coal dealer.

Q. An importer of coal?—A. Yes, sir.

Q. How long have you been engaged in that business?—A. Since last March, in this firm.

Q. Did you import any coal by the ship Princeton?—A. Yes, sir.

Q. When?—A. The bill of lading was dated October 19, 1871.

Q. When did the ship arrive?—A. On the 1st of December; I don't remember the day.

Q. Will you make any statement in regard to that importation of coal and the weighing of it?

Mr. BAYARD. There is a paper containing your communication. [Producing a copy of the Tribune of this day to the witness.]

The WITNESS. [Reading.] "Our firm imported from Liverpool, per ship Princeton, 126 tons cannel coal, as per bill of lading dated October 19, 1871. Upon arrival of ship upon December last"—

By Mr. PRATT:

Q. It is not necessary for you to read the letter.—A. It is all stated there as well as I could say it. Just as plain as I could give it.

Q. You wrote that letter?—A. Yes, sir; I dictated the letter; the signature is mine.

By the CHAIRMAN:

Q. Are the statements contained in this letter correct?—A. Yes, sir.

Q. You want this regarded as a part of your testimony?—A. Yes, sir.

The letter is in the words following:

"OFFICE OF EDDY & ROGERS,
"DEALERS IN COAL AND WOOD, No. 833 GREENWICH STREET,
"New York, January 26, 1872.

"DEAR SIR: I beg to submit for your consideration the following:

"Our firm imported from Liverpool, per ship Princeton, 126 tons cannel coal, as per bill of lading, dated October 19, 1871. Upon the arrival of said ship, early in December last, deponent, upon going on board at Pier No. 48, East River, was approached by the custom-house inspector, whose name, I understand, is W. A. Cloys, and a man by the name of Muller, representing James M. Thompson, United States weigher. These men said to me, 'Give us three loads of your cannel and we will make the weight come out right. We think you must have 140 tons. Send the cannel to our house, (giving street and number that I cannot now recollect,) and we will let it go at and not over 126 tons.' I of course refused to listen to any such proposition. We employed a disinterested city weigher to weigh our cannel in carts, a short distance from the ship, as it was discharged, and the following is the report of the weigher: 142 cart-loads, weighing 284,465 pounds, or 126 tons, 19 cwt., 3 qrs., and 13 pounds, which is all we received, the number of loads corresponding with the count taken by the clerk of the ship. We now find that the above invoice has been returned at the custom-house by James M. Thompson, United States weigher, 134 tons, 15 cwt., 3 qrs., and 16 pounds, being about 7 per cent. in excess of the weight actually received.

"There was another invoice of cannel on board the same ship, and I understand the owner was approached in the same manner for a portion of the coal, and, upon being refused, the invoice was returned about 6 per cent. in excess of the quantity received.

"What we ask is, that the charges against us at the custom-house be canceled. Am ready to give you any further information regarding this matter.

"A. DE L. ROGERS,
"Firm of Eddy & Rogers.

"Hon. W. A. BUCKINGHAM,
"Chairman of the Senate Retrenchment Committee."

Q. You say that Mr. W. O. Cloys is one of the men?—A. Yes, sir.

Q. What did he say to you?—A. The first time I went aboard the ship he asked me what business I had there. I saw that he was an officer, and I told him that I had come to see the cannel coal, and to see when I could get it out. He asked me for my permit, and I gave it to him. He then, as we went out of the captain's room, said, "They have got more than the bill of lading calls for there, we know. We think there is more than 140 tons. There are three of us that want some coal—some of this cannel. You send us a load apiece to our houses, and we will make this 140 tons come out 126 tons, the amount of your bill of lading." I told him I could not do any such thing, that I would not think of it; that we had a weigher engaged, and paid him 15 cents a ton to weigh and take care of it. I, at that, left him. After we got to work on the coal, he said to me, at least four times, about like this: "Have you concluded yet to give us that can-

nel?" At times he would add, "It is the best thing you can do." He says, "It don't make any difference about your weighing; we can make out whatever weight we please." I always refused to listen to this, of course. Then the coal was weighed by our weigher; there was a ship's clerk, who was a very careful man, by, who checked the number of loads. Our weigher's numbers of the loads agree with his. He made out 126 tons and 19 cwt. The custom-house officer returned the weight at 134 tons and 16 cwt; I think it was that. We got a notice—it may be a month after the ship was unloaded—from the custom-house to pay them duties on about 8 tons. I took no notice of it. Then we were notified the second time to pay this, and then I wrote this letter to the committee.

Q. Did you pay the duty on it?—A. We have paid duty on 126 tons.

Q. You have not paid on 134 tons?—A. No, sir.

Q. The collector did not require it?—A. Yes, sir; we had notice to pay this.

Q. Who is Mr. Cloys?—A. He called himself a custom-house inspector. I suppose he is a district officer.

Q. Had he a badge?—A. I never saw any badge.

Q. You supposed he was a custom-house officer; did he say he was?—A. Yes, sir; he took my permit.

Q. And claimed to be a custom-house officer?—A. Yes, sir; he had all the permits.

Q. Did you see any of the coal weighed except by the city weigher?—A. No, sir.

Q. Was there any one there to weigh, on the part of the Government?—A. There was a Mr. Muller—I have heard his name was—who claimed to have checked ten or twelve tubs, the first that went, and had figured on that basis.

Q. Do you know who Mr. Muller was—what position he occupied?—A. He represented Mr. James Thompson, United States weigher.

Q. Did he say he did to you?—A. No, sir. I only heard from some parties who I thought knew.

Q. What pier was this?—A. Pier 48, East River.

Q. That is in Mr. Thompson's weighing district?—A. I suppose so.

Q. Do you know how Mr. Thompson or Mr. Muller obtained the weight?—A. I have heard that they weighed ten tubs, and called it a certain weight—I do not know what—and calculated on that basis.

Q. But you do not know?—A. No, sir.

By Mr. BAYARD:

Q. Were you present at the time your coal was discharged?—A. A great deal of it. I was back and forth.

Q. How much of your coal did you see weighed by the custom-house weighers?—A. I did not see any.

Q. Have you any reason to believe that any of it was weighed?—A. Yes, sir; I believe they weighed ten tubs in the first place, but I didn't happen to be there.

Q. You had it all carefully weighed by the city weigher?—A. Yes, sir.

Q. I observe that the custom-house weight is 7 per cent. more than the city weigher's weight?—A. It figures nearly that.

Q. When Cloys said, "Give us three loads and we will make the weight come out," what did he mean?—A. He meant the custom-house weigher and himself and Mr. Muller.

Q. Was Mr. Muller standing by?—A. Yes, sir; he was, and he heard it.

Q. What custom-house man was standing by; was Mr. Thompson?—A. I didn't see him.

Q. Who was the weigher?—A. The private weigher of Briggs & Co., No. 96 Wall street. He was weighing another lot of coal. He heard that.

Q. He heard a demand on you to give three tons of coal and they would bring the weight down to the amount on your invoice?—A. I am not sure that he heard that sentence, but he heard something that meant the same thing.

Q. Did the city weigher, who weighed your coal, hear any of this proposition?—A. No, sir.

Q. You don't recollect any of Thompson's men being present, except this man Muller?—A. Muller.

Q. He was the only man?—A. Yes, sir.

Q. Was he the foreman of that gang?—A. He seemed to be the only one.

Q. Was Thompson, the United States weigher, on the dock at all?—A. No, sir; not on the dock.

Q. How did they get at the weight?—A. They claim that they counted the tubs—ten tubs; I do not know whether they did or not.

Q. There was no actual weighing by the United States weigher of any portion of the invoice?—A. No, sir.

Q. The only weighing done, you say, was by the city weigher, whom you employed at 15 cents a ton?—A. That is, except at our own yard.

Q. I want to understand how the interests of the United States were protected. I

will ask you whether there was any actual weight taken by an officer of the Government?—A. Not a pound.

Q. You have stated that there was another invoice of coal brought on the same ship. Tell us what you know in regard to the owner of that invoice being approached in the same way.—A. Mr. Benedict, of New Haven, imported, from the same firm—Higginson & Co.—some of the same kind of coal. When he went on board, the next day after I was approached by these parties, they asked him if he would give them—I do not know how many tons—of this coal, and he refused. His coal was also weighed by another city weigher in the same way I had mine, and he claimed that there was 6 per cent. short—that he was charged 6 per cent. more by the custom-house than what he had.

Q. The custom-house weights were 6 per cent. in excess of the coal he actually received?—A. Yes, sir.

Q. That was by the same vessel?—A. The same vessel; but it was a separate lot of coal.

Q. It was discharged after the same voyage that your own was discharged?—A. Yes, sir.

Q. And at the same pier?—A. At the same pier, but it was discharged in a lighter.

Q. It was discharged under the same custom-house officer?—A. Yes, sir.

Q. And with the same weigher present?—A. Yes, sir.

Q. And was brought by the same ship and on the same voyage with your own?—A. Yes, sir.

Q. And in his case they made an excess of 6 per cent. over and above actual quantity received?—A. Yes, sir; according to the weigher they had employed.

Q. The weighers you and he employed were city weighers?—A. Yes, sir.

Q. Careful and good men?—A. Yes, sir. I know them both.

Q. They are competent and careful weighers?—A. Yes, sir.

Q. Have you knowledge of a similar practice to this in other cases?—A. I once had an officer who offered to let me unload a ship without a permit if I would give him a ton of coal. That was three years ago.

Q. Was that in the same district?—A. It might be in the same district for all I know. It was at pier 36.

By Mr. PRATT:

Q. What did he ask?—A. He offered, if I would give him a ton of coal, to let me work the ship before I got the permit.

Q. When was that?—A. Two and a half or three years ago.

Q. Do you know who that was?—A. No, sir.

By Mr. BAYARD:

Q. You state that you have been in the house of Eddy & Rogers since March?—A. Yes, sir.

Q. Were you engaged in business prior to that?—A. Yes, sir.

Q. How many years?—A. Since the spring of 1868.

Q. Has your business led you frequently to the public docks when cargoes have been unloaded?—A. Yes, sir.

Q. Can you tell us anything in reference to the system of custom-house weighing?—A. Only this: that they weigh a certain number of tubs—ten; I do not think over fifteen: call them a certain weight, and figure on that.

Q. These tubs are of an ascertained capacity?—A. Yes, sir.

Q. They learn what they hold on an average, and from the number of tubs they average the whole?—A. Yes, sir.

Q. That is done under the regulations, is it not?—A. I think it is one of the laws.

Q. Have you a knowledge of their passing goods which ought to be weighed without weighing them—taking the foreign marks on them?—A. No, sir; only in this way.

Q. Have you any knowledge of their weighing imported merchandise by taking the city weigher's weights, and from them the custom-house weigher making out his returns?—A. They most always do it.

Q. Is that quite customary?—A. Yes, sir.

Q. In that case have you any knowledge whether the men who do the labor for the city weigher are what are called the custom-house gang of laborers, or are they employed by the city weigher himself?—A. They are employed by the city weigher.

Q. They take the weight of the city weigher in lieu of the custom-house weight altogether?—A. No; not altogether. The custom-house weigher, I suppose, has somebody to check the tubs and to take the city weigher's account.

Q. Without weighing it at all?—A. They may in the first place; I do not know.

Q. You said it was the custom to take the city weigher's weight of merchandise?—A. Yes, sir.

Q. In this case do they weigh the goods themselves, or are they satisfied to take the city weigher's statement?—A. They are satisfied to take the city weigher's statement.

Q. You believe that to be the customary practice along the district?—A. Yes, sir.

By Mr. STEWART :

Q. Are you acquainted with anything except the articles you deal in ?—A. Only coal and sulphur sometimes ; that is all.

Q. What is the mode of weighing coal by custom-house weighers—how do they generally do it ?—A. They count ten or a dozen tubs and call it a certain weight, and figure from them.

Q. Do they weigh those tubs ?—A. Yes, sir.

Q. Who weighs them, the custom-house weigher or the city weigher ?—A. The custom-house weigher.

Q. He weighs the tubs and then counts the tubs ?—A. Yes, sir.

Q. Then what do you say about taking the account from the city weigher ?—A. In most cases that I know of they go to the city weigher. There is a man employed to take his footings for the returns to the custom-house—his footings of the weight.

Q. Does the city weigher do anything more than weigh a few tubs and then average the weights ?—A. He weighs it all, as a general thing.

Q. What was the man's name that proposed to take this coal from you ?—A. W. O. Cloys.

Q. Is he down there yet, in the employ of the Government ?—A. I do not know.

Q. When was this—how long ago ?—A. In the first part of December last.

Q. What was the name of the other merchant that this proposition was made to ?—A. Mr. Benedict, of New Haven, of the gas company. He lives in New Haven.

Q. Was it to Mr. Benedict himself or some person acting for him here ?—A. To Mr. Benedict himself. He is often in New York.

Q. Did you say anything about this to Mr. Thompson or to the collector at the time ?—A. No, sir. Mr. Briggs, on our part, spoke to the deputy surveyor, Mr. Benedict, about it.

Q. Was Mr. Briggs one of your firm ?—A. No, sir. Mr. Briggs is of the firm of Briggs & Co., No. 96 Wall street, and they are the agents of the Liverpool company we get our coal from.

Q. Mr. Briggs spoke to Mr. Benedict, the deputy surveyor ?—A. Yes, sir.

Q. Did he tell him about this case of yours ?—A. Yes, sir.

Q. Was there any investigation ordered ?—A. None ; only that Mr. Benedict advised Mr. Briggs to come before this committee.

Q. Mr. Benedict refused to look into the matter, but said you had better come here ?—A. Yes, sir.

By Mr. PRATT :

Q. When and where was your cargo of coal weighed by the city weigher ?—A. At pier 48, East River—that is where the ship was—but it was weighed in the yard of Mr. Skidmore, in Cherry street, a block and a quarter from the pier.

Q. Did you see it weighed ?—A. Not all of it ; I saw considerable of it.

Q. How long was this after the coal had been unloaded from the vessel ?—A. It was weighed at the same time it was unloaded. It was loaded into carts, and the carts drove right up to Mr. Skidmore's yard, and from there to our yard.

Q. And the number of tons, according to that weight, was 126 and a fraction ?—A. Yes, sir.

Q. You say that only some eight or ten tubs of coal were weighed by the Government weigher ?—A. I do not know that any was weighed ; but they said eight or ten, or ten or twelve.

Q. Who said that ?—A. Mr. Thompson said that to Mr. Briggs.

Q. Mr. Briggs, the gentleman you spoke of, is your partner ?—A. No, sir ; he is the man through whom we buy coal.

Q. And you have received a notification from the custom-house that duties are due upon eight tons of coal ?—A. Yes, sir.

Q. Making the custom-house returns of weights 134 tons, against 126 tons returned by the city weigher ?—A. Yes, sir.

Q. Was this Mr. Muller you speak of the foreman of Mr. Thompson, or what relation did he sustain to him ?—A. I do not know, only what he represented to me.

Q. How did he represent himself to you ?—A. That he was his weigher.

Q. Did he have any badge or insignia of office ?—A. No, sir ; he had on a blue suit of clothes.

Q. Did you see him engaged in the business of weighing on the dock ?—A. I never saw him weigh ; I saw him on the ship.

Q. What was he doing on board ?—A. Standing there—he had a card in his hand.

Q. Did you read the card ?—A. No, sir.

Q. How do you know that he had any connection with the custom-house at all ?—A. I only know from his general appearance, and from his coming to me, that he had some power.

Q. He had no insignia of office on his person ?—A. Not that I could see.

Q. Did you ever see him on the pier before or since ?—A. No, sir.

Q. And he told you that he was Mr. Thompson's weigher?—A. No, sir.

Q. What did he say?—A. He said if we wanted that cannel to come out right we must conclude to send them three tons.

Q. Did he say that in the hearing of Mr. Cloys, the inspector?—A. Yes, sir.

Q. They were both together?—A. Yes, sir.

Q. Did they both make this corrupt proposition to you?—A. Yes, sir.

Q. Each one wanted his load of coal?—A. More than that—they wanted three.

Q. Who was the third load to go to?—A. I suppose to Mr. Thompson, but I do not know.

Q. He was not named?—A. No, sir.

Q. What makes you infer that the third load was for Mr. Thompson?—A. Because they were employed under him.

Q. Was the inspector employed by Mr. Thompson?—A. I do not know whether he was or not.

Q. What made you say that both were employed by Mr. Thompson?—A. Under him, I said.

Q. Have the custom-house weighers anything to do with the appointment or the designation of duties of inspectors?—A. I do not know; I should think not, however. They were like brothers there almost.

Q. They both seemed to want coal?—A. Yes, sir.

Q. If they gave you any kind of intimation as to who the party to be provided with coal was, the committee would be glad to know.—A. They did not.

Q. What was coal worth on the dock, duty paid—the cost of it?—A. About \$12.20 gold.

Q. It was English cannel coal?—A. Yes, sir.

By Mr. CASSERLY:

Q. Is it the most expensive that comes here?—A. It is the most expensive coal in use. There is no more expensive coal than that.

By Mr. PRATT:

Q. Did Mr. Cloys and Mr. Muller each want a load or a ton?—A. I think it was a load.

Q. What proportion of a ton is a load?—A. About a ton, as a general thing.

Q. They are convertible terms, so far as coal is concerned?—A. Yes, sir; but a load is not always a ton.

Q. You declined to act upon the proposition that he made to you?—A. Yes, sir.

Mr. BAYARD. He acted upon it, but he acted in the wrong way for them.

Q. I mean you declined to accept the proposition?—A. Yes, sir.

Q. I will ask you to state the articles imported here the custom-house weighers are in the habit of passing without weighing. You will specify the different articles that they do not in fact weigh, but take the weights from the goods themselves, or from the returns of the city weighers.—A. I am hardly acquainted with anything but coal. I could not say about anything else.

Q. You say the practice is to take from the cargo a certain number of tub-loads, and then to estimate from them the quantity of coal?—A. Yes, sir.

Q. Those tub-loads are each separately weighed, are they, for the purpose of ascertaining what each holds?—A. Yes, sir.

Q. Then the whole cargo is emptied in these tubs afterward?—A. Yes, sir.

Q. Why is not that an accurate way to arrive at a result?—A. In the first place, when the coal is first brought out it will run coarse, and perhaps it will not weigh as much; and, in the next place, perhaps most all of the rest will be fine, and then it will go heavier.

Q. It will weigh heavier?—A. Yes, sir. Then again they do not fill the tubs sometimes more than half or three-quarters full.

Q. I do not understand that; please explain it.—A. When they first weigh the tubs they are right level; then, as they are running along and work faster, sometimes the tubs will come up only half or three-quarters full.

Q. That is weighed, is it not?—A. No, sir; it is only the first ten or twelve tubs that are weighed, and those are filled right up carefully.

Q. The subsequent tubs that may come up half full are not weighed?—A. No, sir.

Q. Do you know whether there is a custom-house regulation in this city that sanctions that practice?—A. I have heard there was.

By Mr. CASSERLY:

Q. When these men said if you will give us three loads, or three tons, we will make the weight all right, what did they mean?—A. They had inferred, in the first place, that there was over 140 tons, and they meant that they would make the amount to conform with the bill of lading, which was 126 tons.

Q. If you had accepted their proposition, and sent the three loads of coal, have you

any doubt that they would have made it all right?—A. I believe that they would have made it all right.

Q. Could that have been done without the concurrence of Mr. Thompson as weigher?—A. As the man employed would go to him and say, "There is Eddy & Rogers's weight, 126 tons," Mr. Thompson would not be the one at fault then.

Q. Still he would have to agree to it?—A. He would agree to that weight, but he would not know the man had done any such thing necessarily.

Q. The United States weights would have to be furnished through him, of course?—A. Yes, sir.

Q. Whether he knew of the fraud that was practiced or not, they would have to be his weights?—A. Yes, sir.

By Mr. PRATT:

Q. What was the duty on coal?—A. One dollar and twenty-five cents, gold, per ton.

By Mr. CASSERLY:

Q. Who sold you the coal?—A. Higginson & Co., of Liverpool, through their agents, Briggs & Co., 96 Wall street.

Q. You stated that Mr. Briggs had a conversation with Deputy Surveyor Benedict in regard to this matter?—A. Yes, sir.

Q. Was anything said about Thompson growing out of this matter, as between Benedict and Briggs?—A. Mr. Briggs said there was.

Q. What was it?—A. I cannot remember the particulars, only that Mr. Thompson was mentioned. That is the way I learned that Mr. Thompson was the United States weigher in that district.

Q. It was Mr. Briggs who had the conversation with Mr. Benedict?—A. Yes, sir.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 1872.*

JOHN C. HOPPER, a witness, being duly sworn, testifies:

By Mr. BUCKINGHAM:

Question. We have received a special communication from you as secretary of the association, and we understand that you desire to give testimony in regard to some matters connected with the revenue.—Answer. Yes, sir.

Q. I would merely suggest that we are not here to determine whether the revenue laws are properly framed, nor are we here to inquire whether any alterations should be made in those laws, but to ascertain in regard to matters connected with alleged frauds in the collection of the revenue. I merely make this statement to save time, that you may confine your remarks, as far as possible, to the subject to which our inquiry is directed.—A. Perhaps it would be well for me to state, at the outset, that I was brought up in the large house of Arthur Tappan and Alfred Edwards, his successor in the dry-goods business, in Hanover square, and that my business as a merchant at home and abroad has been a large and varied one. I have been in the employ of the Government five years, both in Washington and New York, and I am familiar with the tariff laws, and financial affairs, and the commercial relations of the world. I propose to call your attention to a few cases of irregularities, and then, with your permission, will lay before you some views of the present reading of the tariff laws, which will, if corrected by Congress in the way proposed, remove all opportunity of fraud in the classification and valuation of merchandise by the appraiser's department. If they meet your approval, as they did that of the financial committee of the Senate some two months since, I think it will be important for our merchants, as well as the Government, for your committee to embody in your report a recommendation. I desire also to add that politics have nothing to do with the purpose of our association, it being engaged in correcting the abuses which exist, and giving aid, as far as possible, to the respective committees of both Houses of Congress by laying before them practical facts as to the incongruity of our tariff laws, and the impossibility of administering them, as they at present exist, without corruption and fraud. I will also mention that probably no one in New York is in a better position to learn from reliable sources of the irregularities practiced upon our merchants by Government officials than the secretary of the association I have named. Some of the leading merchants of New York having found it necessary to arrive at some plan by which the present abuses could be in part arrested, invited me to give my entire attention to their interests, with the view of protecting the Government, as well as themselves. As I stated, I have the facts of some irregularities here, but I think that correcting the abuses is just as important as detecting the irregularities which exist. And first I have here referred to the foreign baggage. I wrote some time since to the

Secretary of the Treasury a very important letter on that subject. I think I have here in my pocket a letter of introduction from the Secretary of the Treasury to a gentleman by the name of Madge.

By Mr. BAYARD :

Q. Who is he ?—A. He is the supervising special agent of the Treasury Department

Q. Where stationed ?—A. In Washington. He conferred with me one evening three weeks ago, and he agreed with me in the main that I was correct in what I stated, and he said that on his return he would see that the Secretary corrected these things. I was in Washington last Wednesday, and had an interview with Mr. Boutwell, and I found the thing had not been corrected as the special agent said it should be. Mr. Boutwell, however, some time ago when I was in Washington, said to me that I had written a very frank letter, and he said that Mr. Howe would call upon me, with the view of getting some information. I have the letter here from the Secretary of the Treasury to that effect, and he has never called. I told the Secretary if he would send a reliable person to confer with me on this matter I had a great deal of information that would be important for them to know. Mr. Boutwell, the Secretary of the Treasury, sent Mr. Madge to me, and I went over the whole ground. He agreed with me, and said when he went back the Secretary would correct the things ; but, as I said, I was there last week, and found that the Secretary had not corrected those things, whether for want of attention or not I do not know, but those are the facts so far as that is concerned. In regard to this baggage business, of course I am in a position to get this information from most reliable sources. There is a good deal that I do not know of my own positive knowledge, but I can get you the names of persons to send for. I have been particular in that, so as to say nothing that cannot be proved. It was generally agreed to by the supervising agent of the Treasury, on his meeting me in New York, that I was correct. I have made here a list of the staff officers of the surveyor, and several discharged inspectors, and several inspectors who were not discharged.

Q. Do you say that Mr. Madge is cognizant of these facts you are about to read ?—

A. He said he was satisfied of the facts, and would have them corrected.

Q. When did he say that ?—A. About two weeks ago, or probably three weeks. I have prepared this list of names.

By Mr. PRATT :

Q. What else is there on it ?—A. It has the staff officers of the surveyor, consisting of three persons ; a list of discharged inspectors, and some who were not discharged—prominent persons in that connection. I thought I would make the list for you if you wished corroboration.

By Mr. BAYARD :

Q. Suppose they were called upon, what would they establish ?—A. A part of what I have already stated in a letter I submitted, that there was a regularly organized ring for the purposes of this baggage matter. The letter which I submitted some days ago tells the thing perfectly.

The CHAIRMAN. I would inquire whether the committee want the contents of the communication, or whether they desire to investigate frauds, and if so to secure the correction of these irregularities.

Mr. PRATT. What we want to know is what the witness knows.

The WITNESS. I will say that I have no positive knowledge, but the Secretary of the Treasury sent that special agent, and he was satisfied my statements were correct.

By Mr. PRATT :

Q. Any evidence you have to communicate to show that valuable packages are smuggled into this port in baggage, without paying duties to the Government, will be important.—A. I have no positive knowledge ; I do not examine the baggage.

Q. You handed a list of witnesses just now to us, and I desire to know when we call those witnesses what facts we may expect them to develop ?—A. To corroborate the facts that I stated in my letter.

Q. I wish to know what these men would give in proof—what will be the character of their testimony, as you believe ?—A. The passage of baggage without duties being paid on it.

Q. The passage of dutiable goods without duties being paid ?—A. Yes, sir.

Q. Do you mean also that they would state that that passage has been procured by fraudulent collusion between the owners of the goods and the officers who pass them ?—A. Yes, sir.

By Mr. PRATT :

Q. Do you mean to be understood that each one of the witnesses on this list will state that fact ?—A. I do not mean to say that each on this list will, but several of them will no doubt.

Q. Which one?—A. Mr. J. W. Adams, of Brockport; he was recently discharged. He will know considerable, but there are several others, both of persons who have been discharged and who are not discharged. I thought I would make out the list for your satisfaction, if you chose to use it.

Q. The list embraces men who are now in the employment of the Government?—A. Some are, and some are not.

Q. Some are in the customs service yet?—A. Yes, sir; I thought I would make it out to be used in your discretion and judgment, and call the persons, if you chose. This information comes in a direct way from a reliable source.

Q. All the witnesses on this list will prove irregularities of that kind?—A. More or less. It depends upon the extent to which they are willing to testify. There are some who have been discharged, and some who have not been discharged.

Q. Are all the witnesses on this list, either present or past, inspectors in the custom-house?—A. As they are marked there—some discharged and some still in the service. I got those names as leading witnesses that have come to me.

Q. The list embraces none other than inspectors?—A. That is all. I do not know any of them personally.

Q. In order to enable the committee to determine whether these witnesses will or will not establish the corruption that you speak of, let me inquire in reference to a single case. Here is George S. Burdett; what information have you derived that he will give on this point?—A. The list there was handed to me with the names of the leading persons.

Q. Who handed it to you?—A. I got the list from several. I think Mr. Adams gave me some information.

Q. Who is Mr. Adams?—A. He is down there on the list. He is one of the discharged inspectors. He was discharged by Mr. Murphy on the last day of his administration.

Q. Did he admit that he was privy to frauds of this kind?—A. I think he said so.

Q. That he had received compensation and gratuities?—A. No, sir; but that he understood matters. He had been there for a great many years—seven or eight years—and knows all about it. He was very free in his communication in regard to the existing corruptions.

Q. He gave you the names of persons on this list?—A. Yes, sir; some. So I made the record, and thought it would be useful to the committee.

Q. I notice that there is one name marked: Adams.—A. Yes, sir; his name is marked. I thought he probably would be familiar. He is a very intelligent man, and would give as much information as any of them.

Q. He lives at Brockport, New York?—A. Yes, sir.

Q. That is five hundred miles from here?—A. I think two hundred and fifty; I do not know whether he is in town or not, but he was in town the other day. He is backward and forward; I saw him yesterday.

Q. Where did you see him yesterday?—A. At the Fifth Avenue Hotel last evening.

Q. This hotel?—A. Yes, sir. Somebody told me that he had a dispatch from his wife, and he was waiting here, thinking possibly he might be called.

Q. Where does he live when he is in this city?—A. Twenty-sixth street, generally.

By Mr. PRATT:

Q. Do you know what Mr. James M. Morrison, on this list, will swear to?—A. I do not know what they will swear to; I do not know, absolutely, what any of them will swear to until they are called. When I gave you that list I had some that had been discharged and some that had not been discharged, from whom I thought you would get information most likely that would corroborate my statement. Mr. Madge, when he was on here, told me before he went back that he was satisfied it was so, so I made up that list. You will probably see Mr. Madge when you go to Washington.

Q. Have you any knowledge or information as to what any of these men will swear to, except Mr. Adams?—A. No, sir; I have not.

Q. You have conversed with Mr. Adams?—A. Yes, sir; I have seen him. Of course this information comes from most reliable sources to our association, and we take it down. It is our purpose to correct these abuses as far as we can; that is the idea of it. I think the appraiser's department is the most important in respect to the facts I wish to present.

Q. Before we pass to that topic, I will ask you if you have any information as to the extent of the losses of the Government at this port in the shape of duties upon merchandise imported by passengers in their baggage?—A. It is estimated at hundreds of thousands of dollars. You cannot get at it.

Q. At this port?—A. At this port; large amounts. I suggested to the Secretary some time ago that he appoint a special agent, whose entire duty should be, with a few assistants, to give attention to the passage of baggage by the custom-house officials. The law provides that baggage shall be examined in the presence of three

persons; but, from what I ascertain, that law is never complied with. I have the law here, which I could read in a moment—the Treasury regulation.

Q. Have you any personal knowledge as to the manner in which inspectors examine the baggage of passengers?—A. No, sir; no personal knowledge. I do not go down there, and of course I could not know. Mr. Madge thought that the Secretary would adopt that plan. Now I want to say something about the appraiser's department. I have heard a great deal of this testimony, from time to time, when I was here. There are a good many points that you do not reach. I was very sorry you did not examine Mr. Gale the other day in regard to the way the house with which he is connected has suffered from fees exacted and presents in the way of pieces of silk in the passage of goods. You did not ask him the question, and he did not feel like volunteering it. Their house has suffered very seriously in that respect, by fees exacted in the way of pieces of silks and velvets by the assistant appraiser. I do not know whether that appraiser is there now or not; but it is done. I submitted a letter yesterday morning covering that. I have had a correspondence with the Secretary of the Treasury, and some time afterward saw him about it.

By the CHAIRMAN:

Q. We do not care particularly about learning your correspondence with the Secretary of the Treasury.—A. Very well, sir. Mr. Luckemeyer, of No. 61 Worth street—if you will send for him he will be able to testify to presents exacted from him, and Mr. Gale will tell you how their house has suffered in that respect.

By Mr. BAYARD:

Q. Cases in which he had [been compelled to make presents?—A. Yes, sir; all the time.

By Mr. PRATT:

Q. By whom were the presents exacted?—A. By the examiners in the appraiser's department. I do not know which one, but he will be able to tell, I suppose.

Q. Was it to the examiner that Mr. Gale was compelled to make presents of silks and velvet, &c.?—A. Yes, sir; to the examiner or assistant appraiser; I do not know which one of them. One takes the place of the other frequently. He would know the party, no doubt.

Q. Have you conversed with Mr. Gale since he gave his testimony the other day?—A. Yes, sir; I saw him that evening at the hotel.

Q. Did he call your attention to the fact that he was not questioned on that point?—A. No, sir; not particularly; I spoke to him about it. He said, "They didn't ask me, but I didn't want to volunteer anything I am not asked about." He had told me of that frequently, and to the extent their house had suffered in that way. I suppose he had a little hesitancy, thinking it might reflect upon him in some way, and it is very natural that he should think so.

Q. You heard him examined that evening?—A. Yes, sir.

Q. And he swore to tell the truth and the whole truth?—A. Yes, sir; but I do not suppose he was going to tell all he knew. There is a large house by the firm name of Kessler & Co. The managing member of that house is Mr. Kissell. He may be in Europe now; I do not know; but he told me a very flagrant thing, that I look upon as an outrage. It appears that a gentleman called upon him, and told him that he had some duties coming to him which he had overpaid. Mr. Kissell said that he did not know anything about them. He looked through his books. The gentleman said, "You have duties coming to you, and I can get them for you." This gentleman's name who called on Mr. Kissell was Mr. Hartley. In that connection I will state that he is one of the firm of Hartley, Chase & Coleman. Mr. Hartley resides in the city.

By Mr. CASSERLY:

Q. A firm of what?—A. Brokers or claim agents, or something of that kind.

By Mr. PRATT:

Q. Proceed.—A. Mr. Hartley resides in the city, and Mr. Chase and Mr. Coleman reside in Washington. Mr. Hartley called upon this firm again, and said, you have got so much money due you. Mr. Kessler said really they did not know anything about it, but very naturally if they had overpaid their duties they would like to have them back; so that in the course of due exchange between Washington and New York he received a letter from the Secretary of the Treasury, informing him that he was to call upon the collector for his money. He went down to see Mr. Ogden, I think.

Q. Mr. Kissell?—A. Yes, sir. He called upon Mr. Ogden, and was humbugged from time to time, and finally this other gentleman said he could get it in a few minutes if he wanted him to. The result was that he did get it, and had to pay him 5 per cent. for getting the money. Mr. Kissell told me that. I do not know whether he is here now or in Europe.

By Mr. BAYARD :

Q. Who did he pay that to?—A. To Mr. Hartley.

Q. Mr. Kissel had received a notification to come down and get the refund of the money?—A. Yes, sir.

Q. And when he got there what?—A. He was humbugged from day to day.

Q. Was it suggested that he should have this man come down?—A. No, sir; Mr. Hartley came again, but before he got that money he had to submit to the exaction.

Q. Was any intimation made to him that the intervention of Hartley was necessary for him to get his money?—A. I presume there must have been. Mr. Hartley came over there and announced he could get it at once.

Q. Did it appear how the knowledge was communicated to the refunding parties at the custom-house that Mr. Hartley's assent had been given to the receipt by the importers of these duties?—A. I suppose Mr. Ogden, the auditor, would know, and that Mr. Kissel could give you information. I will state the house is a very reliable house. I hear from all sides that this exacting of presents by examiners is quite universal. I have written to the Secretary of the Treasury twenty letters, and I cannot get it corrected.

Q. You say that this firm is composed of three members—Hartley, Chase & Coleman?—A. Yes, sir.

Q. Hartley is in New York and the other two are in Washington?—A. Yes, sir.

Q. Had the house of which Mr. Kissel is a member made application to have these duties refunded?—A. I suppose they had.

Q. Had they been successful?—A. No, sir.

Q. What influence was it that enabled the interposition of this firm of Hartley, Chase & Coleman to procure for the merchant that which he was unable to procure by a direct application himself?—A. I should think it was something improper. Mr. Kissel can tell, I suppose.

Q. Is there any influence by way of relationship or otherwise that could have that influence?—A. I think Mr. Hartley is a son of the Assistant Secretary of the Treasury; I have understood so.

Q. So that when this firm of which he was a member was employed to obtain this refund the application was successful?—A. Yes, sir.

Q. Before that they had failed?—A. They had failed; so Mr. Kissel informed me.

Q. And after the order had been made by the Secretary of the Treasury for a refund of these duties, until the commission of these gentlemen had been paid that money could not be had?—A. It could not.

Q. What is Mr. Hartley's first name?—A. I do not know his first name.

By Mr. PRATT :

Q. Do I understand you to say that Mr. Kissel knew nothing about this overpayment of duties to the Government until he was notified by Mr. Hartley?—A. I understood him to say so; that it was something he did not know anything about.

Q. Do you know how much the amount of the refund was?—A. I do not.

Q. Do you know how much the 5 per cent. amounted to?—A. I do not know; he did not mention.

Q. Did you understand when this transaction occurred?—A. I guess it occurred about a year ago; he only spoke of it in a social gathering one evening in speaking of custom-house matters, and he mentioned how he had been treated. I was going to call your attention to the sample business. They are in the habit of charging for samples.

Q. Who are in the habit?—A. The custom-house. Some samples that perhaps did not take more than an ordinary sized envelope, containing textile fabrics, which in former years the merchant was notified to come for, are now sent out by boys, who collect 75 cents for their delivery. It is entirely illegal. I have called the attention of the Secretary to the matter, and then the Secretary wrote a letter, in which he inclosed my letter, to the collector, and the Secretary wrote a letter, in which he inclosed the letter of the collector, in which it is stated that the allegations are unfounded, and all that sort of thing; but what I have stated is correct. The merchants know what they pay, as a matter of course, and they are charged 75 cents for this sample delivered to them. Mr. Whitehead will tell you the fact, and he is a leading merchant.

By the CHAIRMAN :

Q. For what was the payment of 75 cents made?—A. For taking the sample around to the office, saying—

Q. For an express-boy?—A. Yes, sir; for a boy, 75 cents. Formerly they notified the parties, and the merchants could go there and get the package.

Q. And now, instead of that, they send a boy, who charges for the delivery 75 cents?—A. Yes, sir; that is it. It is not the amount of which merchants complain, but it is the manner. Sometimes a great man will come in, and say, "Give me a dollar," or "Give me 75 cents." It is an insult to call upon a gentleman in that manner.

By Mr. BAYARD:

Q. Is this charge legitimate?—A. There is nothing to warrant it.

Q. Is it, as a matter of fact, paid?—A. Yes, sir; it is paid.

Q. Wherever there is a sample of this kind there is a payment of 75 cents?—A. Yes, sir; 75 cents.

Q. Or a dollar?—A. Yes, sir.

Q. And there is no law for it?—A. No, sir, without there is a regulation of the kind.

By the CHAIRMAN:

Q. Is there any law to prevent the collection of money for the delivery of packages?—A. I think it is only a regulation of the collector, which, of course, like a great many Treasury regulations, we contend are illegal; but it is a regulation of the collector, I think.

Q. Does he regulate that so as to secure the payment uniformly?—A. I think so, but Mr. Buckley, who has charge of the office, writes to the Secretary that nothing of the kind occurs.

By Mr. BAYARD:

Q. Who?—A. Mr. Buckley, who is in charge of the sample bureau. He says that nothing of the kind does occur, and that all amounts collected for packages are paid in the cashier's office. He says that no employés of the Government ever went around and collected. We stated if they were not employés of the Government, so much the worse, if they were allowed to run around and collect 75 cents for these sample packages.

Q. What charges do you understand are collected and paid to the cashier?—A. Probably on these large samples, amounting to one, two, or three dollars, whatever they may be.

Q. What expenses by law are imposed upon samples?—A. I do not think there is any legal arrangement existing for that, except a regulation of the collector. Each sample, of course, where there is cartage, is entitled to be paid for.

Q. It may be entitled to moderate cartage, but how do charges amount to these sums? We have been told by Mr. Tompkins, the deputy collector, that he is exceedingly careful in his department to prevent all waste, and that samples are carefully protected and sold, and that the revenue to the Government from this source amounts to eight or nine thousand dollars a year, by reason of this care and judicious economy. In this case, nothing was said about any moneys that accrued to the Government for this charge upon sample packages; but if your information is correct, the revenue of the Government from that would very far exceed the value of the samples.—A. It is an easy matter to get these facts, by sending to the merchants who paid them.

Q. Have you given the names of any of the merchants?—A. No, sir; but I can: There is Mr. Whiteside, on Church street, and Mr. Gray, of J. F. White & Co., on Church and Worth streets. There are many merchants who have suffered by this same arrangement.

By Mr. STEWART:

Q. Are those samples sent in advance of the invoice of goods?—A. No, sir; the goods may be a mere sample case. At other times it may be a textile fabric, inclosed in an envelope, like lace or something of that kind.

Q. It is sent to the custom-house?—A. Yes, sir.

Q. Who takes it to the custom-house?—A. I do not know.

Q. Are they sent by a Government cart from the steamship?—A. I do not know anything about it.

Q. Who pays the Government for taking them from the ship in the first place?—A. The idea is that the goods pay a large amount of duty, and little samples for our merchants have always come free; now they are in the habit of charging 75 cents for a sample sent in an envelope.

Q. You do not know what is done with the money?—A. I do not. I know it is irregular, and that is all. It never was done before; but they pay this, of course. Now I want to say a word about some of those notices which are sent for the liquidation of an entry. There is, of course, a little balance due sometimes to the Government and sometimes to the merchant. I was in Washington the other day, and I asked the Secretary for a copy of the notice which had been authorized by the Treasury Department in such cases. He called Mr. Hartley in, who gave me a copy of the notice, which reads as follows, [the witness produces a printed form of notice:] "Upon importation, there is due the United States ———, amounting to ———. It is important this amount should be settled. You will much oblige by giving it your early attention." That is a very respectful and courteous notice, but instead of that this is the one which is used in New York, [producing another notice and reading it:] "If it is not paid in eight days, it will be sent to the district attorney for collection." A merchant in New York does not want, upon opening his mail in the morning, to be insulted in that way,

especially when he may be paying hundreds of thousands of dollars in gold ever year. I asked the Secretary whether they had ever authorized anything of the kind, and he said they never had. But Mr. Leydecker has since sent a letter to the Secretary stating that the one I first read was the only one they have used. I sent the Secretary both of these notices, and he said I was right. One is a courteous notice, and the other is disrespectful.

Q. I see this is dated December 22, 1871, and is signed "Leydecker;" is it the original?—

A. Yes, sir. I have another one sent only yesterday, and it shows that the use of this objectionable one still continues, although the Secretary said they should be discontinued. It will be seen that it has not been done. Here is another signed by Mr. Leydecker. This form is not authorized by the Department. Merchants feel very much hurt about receiving notices couched in such terms.

By Mr. CASSERLY:

Q. State what moneys there are.—A. After the duties are paid there frequently is a little balance from a clerical error, which they have got to adjust afterward. They frequently are in favor of the merchant; when they are in favor of the merchant they take their time about it, and they will let the matter stay for a time; but if it is against the merchant he receives a notice at once. I could show several notices of this latter kind which were sent in Mr. Murphy's time—these discourteous notices.

By Mr. BAYARD:

Q. What is the objection to this last notice?—A. It is a threat—apparent upon its face.

Q. I see that in this one you produce the ships, and the amount of refund is cut out of the note?—A. Yes, sir; it shows that the merchant does not want to appear before this committee.

Q. Have you found that state of facts, that the merchants of this city suffer such an amount of intimidation that although they are willing to bring forth the fact before the committee, they do not desire to be themselves known?—A. That is so.

Q. Have you reason to believe that that condition of fear exists to a considerable extent?—A. At the commencement of your visit it was entirely so, but I think if you were to stay here two or three weeks longer, you would find merchants who would come here, for they are rapidly getting up more courage, and are coming forward.

By Mr. PRATT:

Q. What is the trouble with that notice of Mr. Leydecker, dated December 22, 1871?

—A. It is discourteous and disrespectful.

Q. It states to the importer that there is \$210.17 due from him to the Government?

—A. Yes, sir.

Q. And if it is not paid within thirty days, it will be sent to the district attorney for collection?—A. It says by the 30th—it is only eight days.

Q. It will be sent to the district attorney for collection?—A. Yes, sir.

Q. Would it not be the duty, as you understand it, of the collector to send that to the district attorney for the purpose of a suit if it was not attended to?—A. If it had not been attended to; but men do not like to receive such notices when they are paying the Government hundreds of thousands of dollars a year for duties.

Q. Does this notice contain a statement of anything but what it would be the duty of the collector to do in case the amount was not promptly paid?—A. Certainly. I think it is disrespectful and outrageous.

Q. If the notice were not complied with, even without that part which you object to, would it not be the duty of the collector to send the notice to the district attorney?—A. Yes, sir; if he found it could not be collected; but the Department never authorized that form of a circular which gives offense.

Q. What has the Department to do with the form of notice?—A. The Department furnishes the forms.

Q. Did the Department ever furnish the form of a notice, even in this mild form?—

A. Yes, sir; it is No. 128.

Q. How do you know that?—A. The Secretary told me so last Wednesday. Mr. Boutwell didn't understand how this other form came to be used. He said it would be corrected—that it was improper.

Q. Did he say so?—A. Yes, sir. They had no knowledge of this other form being used; so he and Mr. Hartley told me.

Q. This form does not contain any particulars at all, the one you first produced; it is a blank form?—A. The only idea is, whether, when there is a little balance due, there should be a threat to send the matter to the district attorney, by sending such a notice as that. Merchants feel very much hurt about it, and I find that the Secretary had not authorized it. Mr. Hartley said it would be corrected.

Q. Who do you say this last form of notice was introduced by?—A. By Mr. Murphy. These last notices have not been in use previous to his time; so I understand.

Q. You understand that it was an official notice?—A. Yes, sir.

Q. You understand it to be a notice for him to call, and statement of what would follow if the money was not paid?—A. Certainly.

By Mr. STEWART:

Q. Your objection to that is that it is impertinent?—A. It is discourteous.

Q. You object to discourtesy?—A. I do, decidedly.

Q. What do you call such language as this addressed to the Secretary of the Treasury: "How any justification can be entertained by the Secretary of the Treasury for unlawfully existing irregularities I am at a loss to determine?"—A. That is what I said, and I pointed to the fact.

Q. Do you call that language courteous?—A. Yes, sir. I have written frequently on the subject, and told him that it was illegal, and I have talked with him on the subject, and yet I could not get it corrected.

Q. "If the Department proposes to be governed and controlled by the simple assertion of the collector justifying such irregularities, it is very fortunate that the Committee on Retrenchment, who are about to sit in this city, will enable me to give proof of what I have communicated?"—A. Yes, sir; I wrote that.

Q. Do you consider that respectful?—A. I have seen the Secretary, and have written to him, and I wrote him very plainly. Mr. Madge said that the Secretary liked plain letters.

Q. Here is language in another letter: "Promises from the Department, however, I have found not to be very reliable."—A. That is so.

By Mr. PRATT:

Q. You think he likes plain language of that kind?—A. Yes, sir.

Q. It pleases him to be told that the promises of the Department are unreliable?—A. He told me that it was the other day.

By Mr. STEWART:

Q. Where did you learn your business?—A. In the city of New York.

Q. How long have you resided in the city of New York?—A. All my life, except when I was abroad.

Q. What is your occupation?—A. I am secretary of the National Reform Association.

Q. Of whom is the National Reform Association composed?—A. Of our leading merchants. There are about eight hundred scattered over the Western States. If you will come down to the office I will read over the whole list.

Q. Who organized it?—A. Myself and others. I was invited to get the thing up, for the thing was really necessary.

Q. At whose suggestion?—A. I do not know about that. One-half of New York are perfectly wild on this subject of correcting abuses, and so we thought we would organize, they wanted me to give my entire attention to it.

Q. Have you had anything to do with congressional legislation?—A. Supplying facts to guide the members.

Q. Drawing bills?—A. No, sir.

Q. Did you ever draw a bill to present to Congress?—A. No, sir. I have made many important suggestions, however; at least, they consider them so. That is all I know about it.

Q. Have you communicated to firms that you prepared a bill?—A. I have assisted Governor Fenton by giving him some facts in regard to the bill he was preparing.

Q. Did you not write to some firms that you drew the bill that Governor Fenton had introduced?—A. Yes, sir. I gave a good many facts for him, and he altered it.

Q. Did you not state that you had drawn the bill?—A. I do not know particularly, but I assisted him. I sent him a copy as I thought it should be; and probably he extracted some of the facts.

Q. Did you ever see that bill before it was introduced by Governor Fenton?—A. I saw one—the first one.

Q. The one that Governor Fenton introduced?—A. Yes, sir.

Q. Did you see it before it was introduced?—A. No, sir; that is the last one. I wrote him that it was important to introduce several amendments.

Q. Did you ever see the first one before Governor Fenton introduced it?—A. No, sir; I called his attention to a good many things that I thought he had omitted.

Q. You are not the author of that bill?—A. No, sir.

Q. You have not written to any merchant here that you were the author of it?—A. I did.

Q. And you wrote to them for money?—A. No, sir; I called upon them. We were doing a great deal of labor in the association.

Q. How much money have you collected?—A. I do not know.

Q. Have you collected money from them which is to be used in Washington to affect

legislation?—A. I do not know. I have been to Washington on this subject, to bring forward the practical facts which we thought important they should know.

Q. You cannot form any idea of how much money you have got?—A. I have not paid out any money except for my hotel bills. I didn't use it for any other purpose.

Q. You do not know how much you have taken from merchants to use for that?—A. I cannot tell exactly.

Q. Who started this organization?—A. The merchants, as I explained to you.

Q. Are you not the man who got it up?—A. Yes, sir; I suppose I did get it up. They are organized all over the country for revenue reform. There was one organized at Washington the other day, and I got a letter from Washington wishing us to co-operate with them.

Q. Have you got any other business except in connection with this association?—A. No, sir; I am giving my entire attention to getting out these practical facts from all parts of the country. I wrote to the Senators and Representatives, and I am getting the views of prominent merchants to furnish practical facts, and that takes a great deal of labor. If anything shall grow out of it satisfactory to the merchants that is all I desire. I have devoted a great deal of time and labor to this matter of the tariff, with a view to the simplification of it.

Q. Then it is from that stand-point that you addressed this kind of language to the Secretary of the Treasury?—A. I think it necessary to write plain letters once in a while.

Q. To lecture him? You don't think there is anything that could be said to the Secretary of the Treasury that could be impolite?

Mr. BAYARD. Why should such a question be asked?

The WITNESS. Here is another matter which is exceedingly important. It is in reference to damaged goods.

Mr. STEWART. I am not through yet. What wages do you get for your services?—

A. Well, I can't tell that, possibly. I don't work for wages, in the first place, and would not.

Q. You work for purely patriotic motives?—A. No, sir. I would make it a salary or otherwise. Wages are paid for mechanical labor, I believe.

Q. What is your salary?—A. It depends upon how liberal the merchants are in subscribing. The office-rent has to be paid, and the furniture and expenses from time to time, which are getting very heavy.

Q. How many merchants have you written to calling upon them to subscribe?—A. I don't know how many. They are subscribing every day.

Q. The money goes into whose hands?—A. I disburse it, of course, and give an account of it. It goes for expenses. I am perfectly willing to give an account of it.

Q. How many days have you been in actual attendance on the committee?—A. I was here for three or four days after the second day's sitting, when I was subpoenaed. I found I couldn't spare the time, but I was willing to come at any moment.

Q. You were in the appraiser's department once?—A. Yes, sir.

Q. Why were you removed?—A. I never was removed.

Q. What made you leave it?—A. They legislated me out of office.

Q. When was that?—A. In 1866, when Mr. McElrath came in. I detected a very grave irregularity, and took occasion to write to Mr. McElrath about it, and the fact was, when we were legislated out of office, I found, having done so, that I couldn't return there, so I gave up all further effort about it, and I have congratulated myself ever since.

Q. What was that irregularity?—A. It was about one hundred and ten boxes, bales, and bundles that they wanted me to pass without examination, only examining one bundle which was contrary to law, and I declined to do it. Mr. McElrath sent on several gentlemen, who sustained me, and said I was right. I knew it would involve some trouble as far as I was concerned, but I didn't care about that when I knew I was right. I did not return. The appraiser's department was re-organized under what we called Morgan's fear, and Mr. McElrath came in under the new organization, and about that time I left. I saw there was no use of bothering about returning.

Q. Did you have any other difficulty with the Government besides that?—A. No, sir. I was in the Treasury Department at Washington, and signed all the demand notes first issued by Mr. Chase; I signed 20,000,000 demand notes—fives, tens, and twenties.

Q. You were a clerk in the Treasury Department?—A. Yes, sir; in the Secretary's office. I assisted Mr. McCulloch in organizing the national banks. I was with him for two years and a half. Then I was appointed by Mr. McCulloch one of the appraisers here. I have been all through the different ramifications of the Department of the Government, and am familiar with them.

Q. What has been your business since 1866?—A. I have been attending to my business.

Q. What is your business?—A. Anything that I have to do. I have been a broker,

and have sold real estate and property of various kinds. We have a good deal to do in New York.

Q. How long have you been engaged in your present business?—A. About eight or nine months, day and night almost, getting facts together. I found the finance committee appreciated my services very much. They were very much pleased with this tariff matter. It was a labor of six months. They said those facts were exceedingly valuable. Mr. Sherman has those facts with him now. It has cost us a great deal of labor, and a great deal of time to get those facts together, looking to a simplification of the tariff laws, by which the frauds and irregularities can be prevented in the examination and classifications of merchandise; it is exceedingly important.

Q. Can you give me the names of some of the principal merchants that are in your organization?—A. There are about one thousand altogether. There are some in Providence, Rhode Island.

Q. I mean those in the city here.—A. It is important for you to know?

Q. I think so.—A. H. F. Spalding, of Spalding, Hunt & Co., one of the largest houses in the city; D. Willis James, of Phelps, Dodge & Co.; and E. S. Jaffrey & Co. They are among the largest houses in the country.

Q. They are members of this association?—A. Yes, sir. Seth B. Hunt is another, and Gardner & Co.

Q. Have you got a list of the association?—A. I have got one at the office, of about one thousand names.

Q. Mention some others.—A. Seth B. Hunt, of New York; H. F. Spalding, of New York, of the firm of Spalding, Hunt & Co.; Mr. Gardner, of Evans, Gardner & Co., of Broadway; and Peek, Opdyke & Co.

Q. Is Mr. Stewart a member of the association?—A. No, sir.

Q. Or Mr. Claflin?—A. No, sir. I guess they approve of all our ideas, but I don't know as they are members.

Q. Is the firm of Phelps, Dodge & Co. represented?—A. Yes, sir; D. Willis James.

Q. Is he a partner of the concern?—A. Yes, sir. I will give you the names of W. Latterman & Co., and Arnold and Constable.

Q. What are the officers of your association?—A. Well, I am secretary of the company.

Q. Who is the president?—A. Seth B. Hunt was the president.

Q. Have you got a treasurer?—A. No, sir.

Q. Who receives the money and pays the bills?—A. I receive the money and pay the bills.

Q. You do pretty much all the business?—A. Yes, sir. They have not the time, of course. They step in occasionally; they are very busy, being large houses, and can't attend to everything. Everything I do I submit to them, of course, which they approve.

Q. You don't have meetings of all these men together?—A. No, sir; they are too busy. If there is anything important I step around and see the leading gentlemen, and submit it. I will go and gain practical information, which they desire and think is important, if I am going to Washington with the view of laying it before the committee and get their approval of what is proper; that is, with the view of offering anything, or altering any legislation which they deem important for the interests of their business and the mercantile community.

Q. Can you give any idea of the aggregate amount of money you have received in all from the merchants?—A. No, sir.

Q. Ten thousand dollars?—A. I can't tell; it is impossible.

Q. Have you received as much as \$50,000?—A. In what capacity, and when?

Q. As secretary of the society.—A. We have only been in operation some eight months, so far as that is concerned.

Q. How much money have you received during that time?—A. I can't tell—probably four or five thousand dollars. The expenses have been pretty large.

Q. Haven't you received more than that?—A. I think not. The expenses have pretty much wiped out the receipts; I know it has not been very pecuniarily profitable to me. Here is a case of damaged goods; I have noticed since I have been here a disposition, on the part of some of the witnesses examined here, to connect the merchants with the inspectors, making out that the merchants were quite as bad as the inspectors. Well, now, here is a case of damaged goods—I just want to show it to the committee, for the purpose of showing the high character of our merchants—here are some spotted lawns that came in for a large house; the Great Western Insurance Company allowed on one case 50 per cent.; on another case 25 per cent.; on another case 10 per cent.; 15 on another—15, 20, 25, 35, and 10 per cent. The appraiser's department sent around a couple of men, of course, to look at the damaged goods, with a view of getting back the gold duties. They prowled around the store for a few days and evidently wanted some fee, with the view of making it the same that the Great Western Insurance Company allowed. Of course, this house could not lend themselves to anything improper. In the course of a week they went down and found an allow-

ance of 1 per cent. and 5 per cent., whereby this house lost on these eight cases \$931.57, in gold. Now, if they had yielded to anything that was improper, or spent \$50 or \$100, they would have saved \$931, which they couldn't do. There is a statement of it. [Handing paper.]

By the CHAIRMAN:

Q. What could they have done that would be improper, and saved the \$931?—A. They could have given these two geniuses that came there \$50 or \$100 apiece; they came from the appraiser's department.

Q. Who are they?—A. I don't know their names; two of them were discharged at my suggestion; I went to see Mr. Darling about it, and he immediately discharged them. This was done, however, under Mr. Palmer. I contend that any chief appraiser who will allow merchants to be swindled in that kind of way, by worthless subordinates, is incompetent for his position.

Q. Have the remedies been complete so far as relates to these men?—A. Yes, sir; I alluded to that to show the high character of our merchants, that, by not yielding to anything that was improper, they lost that amount of money.

By Mr. BAYARD:

Q. Let us get at the gist of this case. On an invoice of goods which were damaged the Great Western Marine Insurance Company had an examination and appraisalment?—A. Yes, sir.

Q. And fixed the rate of damage from 50 per cent. to 10 per cent.?—A. Yes, sir; all through, as you see.

Q. The majority being above 20 per cent.?—A. Yes, sir.

Q. That the owners of the goods were waited upon by subordinates of the appraiser's department, with the suggestion that they would place the rates the same as the insurance company?—A. They came around there, and these gentlemen could not get them to say anything definite. They would ask, "What are your rates?" and the reply would be, "We will be in again." The next day it would be, "What are your rates?" and the reply would be, "We will be in again." Of course, it was apparent what was intended, and the result was they went away finally, after being there four or five times. The result was that these gentlemen went down to the custom-house and found that allowance.

Q. What allowance?—A. It is on the paper there. [Referring to statement already presented.]

Q. The average per cent. allowed by the damage bureau was $6\frac{3}{4}$ per cent. and the average allowed by the Great Western Insurance Company was $26\frac{1}{2}$ per cent.?—A. Yes, sir. Now, there is great difference in men's judgments as experts; some will differ from 5 to $7\frac{1}{2}$ per cent.; but when they come to place a thing at 1 per cent., no men could assess damage to dry-goods at 1 per cent., and get it placed there at 1 per cent.

Q. Yes, I now understand you. I observe where the appraisalment by the damage bureau was 1 per cent. by the insurance company it was 15, and where the appraisalment by the damage bureau was 2 per cent. the appraisalment by the insurance company was 25 per cent.—A. Yes, sir.

Q. And where the bureau appraisalment was 5 per cent. the insurance company appraised it at 25?—A. Yes, sir.

Q. And were willing to pay and settle on those terms?—A. Yes, sir.

By the CHAIRMAN:

Q. Who was the importer of those lawns?—A. The firm of Wm. Lotterman & Co.

Q. Is there any appeal from the appraiser's department?—A. They went down to see General Palmer, and could get no satisfaction whatever.

Q. Is that the only remedy—to appeal to General Palmer?—A. That is all.

Q. Could the importer not go to the Secretary of the Treasury?—A. Well, he might, but it would be reported back, as it is usually done. I called Mr. Darling's attention to it, and he said it was grossly improper and all that sort of a thing at once, and he discharged those men.

Q. Your objection to this is, because there is so much difference in the estimate of damage by the appraiser and by the insurance company?—A. Yes, sir, it is apparent.

Mr. BAYARD. It is more than that. He said that the subordinates of the department waited around the store in a suspicious manner, for the purpose of seeing if suggestion would be made to them?—A. That is it, exactly.

By the CHAIRMAN:

Q. The subordinates waited around the store in hopes of getting some illegal fees and they have been discharged?—A. Yes, sir; I understand they have. Mr. Darling discharged them when I told him about the facts.

Q. Now, will you suggest some remedies against this evil?—A. Yes; I want to do that; this is what I laid before the finance committee.

Q. I don't care about you reading a long paper, but just make your statement.—A. There has been so much liquidation as to silk goods, as to whether silk and cotton goods pay the same rate as silk goods entirely. There are some very important suits pending. I suggested to the committee that if they would incorporate the word "entirely" they would remove all the trouble. They could say, "all goods manufactured or goods composed entirely of silk," would save all the liquidations.

Q. That has nothing to do with the question I put to you, sir.—A. I will get at that in a moment.

Q. Will you make any suggestion or remedy against these pretended claims of men who occupy positions in the appraiser's department?—A. That is what I am getting at. If, in the tariff laws, woolen hosiery were made a certain rate per cent. instead of which the words "composed in part" are there. Take a leather glove; the duty on that is 50 per cent. It is lined with a little shoddy or refuse wool.

Q. What has that to do with the appraiser of goods?—A. I will get at it in a few minutes. You break the connection and I can't say anything. This is the idea: Here, for instance, on certain dry-goods, they pay \$6.35, if under 20 per cent.; if over 20 per cent., they pay \$8.40. When they come very near the line, about 19½ per cent., the appraiser can throw that over or under; that is open to corruption. Now, if the tariff laws were simplified in that respect, it would remove all opportunities of fraud in the appraising of merchandise.

Q. But would it from the damages of lawns as they come across the water?—A. No, sir. I thought you had got through with lawns.

Q. The question I asked you was whether you could make any suggestion that would be a remedy for these efforts on the part of employes to obtain money by improper appraisement.—A. I made that suggestion to the Secretary of the Treasury, and I think he has it under consideration. It was to appoint three persons to assess damaged goods, one of whom should be a merchant of New York City.

Q. Do you know whether or not an importer can appeal within ten days after the award has been made?—A. Yes, sir; they can protest in ten days, appeal in thirty, and sue in ninety days. That is the law we are trying to get abolished.

Q. If they can make this appeal from the appraiser's valuation, isn't that a partial remedy at least?—A. In every case, when these appeals are made, they are reported back to the collector, and they never amount to anything. You alluded to the merchant appraisement on the value of the goods when they are imported. I suggested to the Secretary that he should appoint three persons, one an outside merchant, and all these difficulties would be avoided. I was just going to call your attention to the number of threads to the square inch mentioned in the tariff. That is open to corruption. If there are two hundred threads to the square inch, the duty is so much; if there are three hundred threads to the square inch, the duty is at another rate. Now, do you see if that were simplified it would remove the opportunities of corruption.

Q. Wouldn't it be the better place for you to make that suggestion before the finance committee?—A. Yes, sir; I have done so, but I thought, as showing the possibility of frauds, it would be well, in my view, for you to consider it.

Q. My impression is that we do not care particularly about that.

Mr. BAYARD. I do not think that matters of that kind are within our purview. It is a matter that rather pertains to a committee of finance.

The WITNESS. I thought that, so far as the bearing of frauds was concerned, it would be interesting to you to see the possibilities.

Q. It might not be a fraud, but only an erroneous construction of the law.—A. It is open and susceptible to a corrupt appraisement under the circumstances. That is all.

Q. I don't think it need necessarily be corrupt, but it may be erroneous.—A. If I am looking at goods and say, that is a pretty clever house, I guess those are under two hundred threads, and with another house I would say it is a little over. The rates are different, and it is a very fine thing to distinguish them. When the goods are on the dividing-line, it is a nice matter.

By Mr. STEWART:

Q. How many days have you been in attendance on the committee?—A. I was here on the second day, and for three days in succession. I went away and came again at the suggestion of some of the committee. Then I gave it up, and I thought you would likely examine me in Washington.

Q. You have been in attendance here four days?—A. I don't know; I have been here at your service ever since I was subpoenaed.

Q. How many days of actual attendance have you been here?—A. I don't know. You were talking about pilfering. My experience while I was in the appraiser's office was in examining dry-goods—fine dry-goods. I would always insist upon the opener and packer attending the box, and seeing it was nailed up before leaving. There has been an attempt made to throw everything of that kind upon the poor carman. After the examiner leaves the boxes, then, if they are fine goods, it is an easy job for the openers and packers to take them out. I always insisted upon their staying by the

box until it was nailed up when I examined fine goods. I can readily see how the pilfering could take place in that way. It was my experience while I was there. It occurs right in those stores, no doubt, at least more so than on the carts. All these things came to me from different and reliable sources. If you wish to send for the parties to see if it is so, you can.

By Mr. BAYARD:

Q. What parties have knowledge on this subject that there are losses or abstractions in the appraiser's department?—A. I haven't any positive knowledge.

Q. You can pass now to another point.—A. I rather think you have decided not to go through with this, which I considered was the most important thing I had.

Q. You have already laid that before the Finance Committee of the Senate?—A. Yes, sir.

Q. And also before the Secretary of the Treasury?—A. Yes, sir.

Q. Then it would be superfluous for us at this time to take it up, although we might consider it in any other place.—A. It simply occurred to me that it would be important.

Q. It would be a simple matter of repetition for us.—A. I thought that your recommendation as to its importance would make it proper for me to state this in this connection. I have seen the Secretary of the Treasury from time to time about correcting these things, and while he thinks favorably of them, nothing is done; therefore, I thought it was important for you to see how the matter was. I shall be there next week, and I want to lay this matter before the Committee of Ways and Means.

Q. Some communications have been read before the committee from you to the Secretary of the Treasury. You have seen the Secretary in person since those letters were written?—A. Yes, sir.

Q. And you found that, though he was the one individual to be affected by their want of respect, he found no fault with them?—A. No, sir. Mr. Madge told me that the Secretary liked that kind of plain writing. I asked how the Secretary liked those letters, if he did not find them pretty severe, and he said no, that he liked them.

OFFICE OF THE "NATIONAL REVENUE REFORM ASSOCIATION,"

NINTH NATIONAL BANK BUILDING, NOS. 407 AND 409 BROADWAY,

New York, January 19, 1872.

DEAR SIR: Agreeably with the orders of your committee I herewith submit a statement, in which it will appear that the simplification of the existing tariff laws is necessary in the classification and valuation of merchandise by the appraiser's department, and which laws, if corrected by the proper legislation, the vast discretionary powers now exercised by the *examiners* will be prevented, and hence all opportunities of fraud in that direction permanently arrested. As the committee are investigating the present system, under which irregularities can be committed, I presume it is of far more importance to be able to *cure the disease* than to discover in every direction where it exists.

It is, perhaps, as well to state here that my long experience, at home and abroad, as a merchant, together with my five years' engagement in Government employ in the office of the Secretary of the Treasury, Comptroller of the Currency, and the appraiser's department in New York City, as an examiner of English dry-goods, has made me entirely familiar with the workings of the departments of the Government, more or less connected.

From my intimate knowledge of the tariff laws and the regulations of commerce and mercantile affairs, some of the leading merchants of New York invited me to assist them in correcting existing abuses, and hence the organization of this association. The abuses which are practiced come daily to our rooms from the most respectable and reliable sources, and I am in daily communication with the Secretary of the Treasury in regard to the correction of existing evils and abuses under the custom-house and Treasury authorities. No one in New York is, probably, in a better position to learn from reliable sources the abuses and practices committed.

Some few months since I laid before the Finance Committee of the Senate, in detail, the absolute necessity of simplifying the tariff laws, and by which existing abuses, as I have already stated, could, in great part, be avoided in the classification and valuation of merchandise. This was the labor of some six months and was of a practical character and is now in the hands of the chairman of that committee. They were much pleased with the information and acknowledged its importance and desired me to bring them more bearing on the same subject. I only regret that a member of the Finance Committee, a member of this, was not present on that occasion.

I will now give you a few instances of the matter communicated, as I have stated above, although its importance would justify my laying the whole subject in detail before you. This can only be *effectively* done by a personal explanation. Take the

article of dress goods: if they are valued under 20 cents per square yard, the duty is 6 cents per square yard and 35 per cent. *ad valorem*; if over 20 cents per square yard, the duty is 8 cents per square yard and 40 per cent. *ad valorem*. Now, the examiner finds the goods are worth about 19½ cents per square yard or a little over 20 cents per square yard; he, therefore, in his discretion, can make them pay either duty, and, therefore, favor or not a merchant as he desires. How easy, in consequence, for a corrupt arrangement to be made.

Take cotton goods of the lighter descriptions; if they count *two hundred* threads to the square inch, they pay one rate of duty; if they count more, they pay another. Therefore, if the goods are near the line as it is called, the examiner can throw them under or over two hundred threads, and thereby save money to the merchant or make him pay considerably more. Therefore the situation is open to corruption. Take woolen shawls. The duty is 50 cents per pound and 35 per cent. *ad valorem*; but woolen wearing apparel is 50 cents per pound and 40 per cent. *ad valorem*. Now, a gentleman's traveling shawl can be made to pay one duty or another, as the examiner may determine, by calling a traveling shawl woolen wearing apparel. Some houses get them at one rate of duty, and some another, no doubt.

The situation is, therefore, open to corruption. Take the article of leather gloves, which pay 50 per cent. *ad valorem*. If they should be lined with shoddy wool to make them warmer, adding to the cost, perhaps, one-tenth of their value, they are, of course, "*composed in part*" of wool, and therefore must pay the broadcloth duty, 50 cents per pound and 35 per cent. *ad valorem*. Therefore, wherever the words "*composed in part*" occur in our tariff laws, they should be stricken out. Take *linen drillings* as an example. Plain pay 30 per cent. *ad valorem*, while figured pay 35 per cent. *ad valorem* by the appraising, without the slightest authority under the law; the word "*all*" in former tariffs having been dropped in the present one, through some influence unknown. Hence the room for the discretionary power, which should be provided against by law.

In this manner I have gone over the whole of our tariff laws, and trust the few examples I have cited are sufficient to show the importance of the matters I should like to lay before you in detail.

With regard to *existing* and *prominent* irregularities, I am prepared to show you how the examination of foreign baggage is conducted by custom-house authorities, and will give you the names of persons to corroborate my views; also in the matter of exacting fees from merchants, in the shape of *presents*, by the examiners of the appraiser's department, and will furnish you the names, who are virtually compelled to yield to these practices; also in the matter of charging for samples delivered contrary to law, and the manner of exacting the fee of 75 cents for their delivery; also in the matter of sending discourteous notices to merchants, by deputy collectors, regarded as threats, and not authorized by the Department; also in the matter of damaged goods, and the manner of how the merchants are swindled; also my views on the existing "*general-order system*," which I think are practical and represent the views of our leading merchants; and many other things, which a personal examination will, no doubt, develop, and which I presume the committee are desirous of ascertaining.

I will also state that we have nothing whatever to do with politics, and that the secretary of this association, although a native of this city, has never attended a primary meeting, and only proposes to exercise the right of suffrage under the laws as his best judgment dictates.

Having given several days' attendance on your committee, after a notification to appear, I discovered that an attempt was made, on several occasions, to connect the merchant, in a dishonorable way, with the corruption that he was compelled to yield to. Now, the merchant is waiting for his goods. He finds that his invoices are kept back, and papers delayed to be acted upon, &c. The examiner, in the mean time, visits his store on some pretext, and admires certain articles of merchandise. He selects a few, with discretion as to value, and orders them sent up to his house with the bill receipted. The goods are delivered, but no "*examiner*" appears or is at home to pay for them. They are left without pay, and the merchant finds his goods are coming along readily—papers, &c., are acted upon. Now, does the merchant feel like insisting upon his bill being paid when matters are running smoothly and he is receiving the dispatch in his matters that he is entitled to receive under the law? Suppose he insists on the payment of his bill; what will most probably be the result? A detention in many ways, and, from our complicated system in collecting the revenue, annoyances from directions he never suspected. In the same manner with regard to the goods delayed upon the docks to prevent them going under *general order*, and avoid the delay that would be caused thereby, as well as the additional expense. If, for a few hours, an accommodating spirit is exhibited by the inspector, when he knows the merchant wants his goods, having probably sold them by sample, and fearing the loss of the sale by delay if they go to general-order stores, I see nothing improper, at the end of the month, for the merchant to appreciate the extra attention of a faithful inspector; but if the inspector delays, and causes obstructions, and sends off goods to "*general-*

order stores" at the moment the legal time has expired, with the view of extorting fees, &c., it is a very different matter.

Having endeavored to make this statement as succinct as possible, with the view of saving you valuable time, I am, very respectfully, your obedient servant,

JOHN C. HOPPER,
Secretary.

Hon. WILLIAM A. BUCKINGHAM,
Chairman Investigating Committee, New York.

NO. 51 WILLIAM STREET, NEW YORK, *February 3, 1872.*

SIR: The testimony of Mr. Hopper, taken before you on Thursday, contains statements injurious to us, which we beg to correct. He is reported as saying that at different times, Mr. Hartley, of our firm, called at the store of Kessler & Co., offering to procure for them a refund of duties; that after an unsuccessful correspondence with the Treasury Department, and repeated calls at the custom-house, (where he alleges the money was to be paid,) Kessler & Co. were compelled to employ us, the delay being made by the customs officers until we were retained.

The facts are, that on February 7, 1871, Kessler & Co. authorized us by letter to collect a claim for \$61.97 currency, then long pending at the Comptroller's office in Washington. None of our firm called on Kessler & Co. at their store or elsewhere; but some one representing them once called at our office. The claim was not for refund of duties, nor in any way under the control of the custom-house, but was payable at Washington, by draft, sent direct to the parties. On the 27th of February last, having received their draft from the Treasury, Kessler & Co. remitted us \$10 for our services, which were simply those of attorneys making an ordinary collection.

Very respectfully, your obedient servants,

CHASE, HARTLEY & COLEMAN.

Hon. WILLIAM A. BUCKINGHAM,
Chairman of the Senate Investigating Committee.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 1872.*

FRANCIS M. BIXBY, having been duly sworn, testified as follows:

By Mr. BAYARD:

Question. What is your occupation and residence?—Answer. I am a merchant, and reside at 501 Fifth avenue.

Q. What experience have you had in the business of warehousing?—A. I have been engaged in that since 1856.

Q. Have you had any connection in this city with the general-order business?—A. Yes, sir.

Q. When were you first connected with that?—A. In 1856.

Q. How long did it continue at that time?—A. About eight or ten years.

Q. That would bring it to 1866?—A. Yes, sir; about that time.

Q. After 1866, what became of the business?—A. It was transferred to Meyer & Smith. I won't be positive about the date.

Q. When did you again become interested in the general-order business?—A. Well, I had a very small portion of it under the latter part of Mr. Smythe's administration as collector.

Q. How long did that continue under Mr. Smythe's administration?—A. That portion that I had continued from the time I received it up to the time that he went out of office.

Q. He was succeeded by Mr. Grinnell, I believe?—A. Yes, sir.

Q. Who first had the general-order business under Mr. Grinnell's administration?—A. Meyer & Smith had it when Mr. Grinnell came into office.

Q. How long did they continue to hold it after he came in?—A. Only a short time.

Q. When did you first become interested in it?—A. After it was taken away from Meyer & Smith, and it was given to Mr. Charles Squires, and a month or two after Mr. Grinnell came in I came into possession of a portion of the general-order business.

Q. What month of 1869 did you first become interested?—A. If I recollect correctly, it was July, 1869.

Q. How many general-order warehouses were there in the city then?—A. I think there were three on the North River and two or three on the East River--two, I think,

Q. Were those on the Jersey side then in existence?—A. Yes, sir.

Q. The Cunard stores and the Hoboken stores?—A. Yes, sir.

Q. Belonging to what two lines were the Hoboken stores?—A. The Hamburg and Bremen.

Q. Were all these in different hands, sir?—A. Yes, sir.

Q. Six different parties had the North River business when you became interested in 1869—in July?—A. Not six different parties on the North River, but the North River and the Jersey side.

Q. I meant both sides of the North River?—A. Yes, sir.

Q. Will you state how you became interested, and with whom, in the general-order business, under Mr. Grinnell's administration?—A. I made an arrangement with Colonel Leet for a portion of the general-order business.

Q. Is that Mr. George K. Leet?—A. Yes, sir.

Q. When did you first become acquainted with him?—A. Colonel Leet called at my house with General Hillyer. That is the first time I recollect seeing him.

Q. At your private residence?—A. Yes, sir.

Q. Where is that?—A. No. 501 Fifth avenue.

Q. In this city?—A. Yes, sir.

Q. Had you previously known General Hillyer or Colonel Leet?—A. I know General Hillyer.

Q. Had you known Colonel Leet previously?—A. No, sir.

Q. When did they first call upon you?—A. I should think it was some time in May; I wouldn't be positive.

Q. In May, 1869?—A. Yes, sir.

Q. What was said at that time upon the subject of general-order?—A. I don't know that I can recollect the conversation; it was generally on the general-order business. There was nothing said about making any arrangement at that time.

Q. Did Colonel Leet at that time inform you that he could control the general-order business, and have the business designated to the stores that he might select?—A. Mr. Leet said but little at that interview; the conversation was chiefly between General Hillyer and myself.

Q. Did it relate to the general-order business?—A. Yes, sir.

Q. Was Colonel Leet or General Hillyer supposed to be interested in that business?—A. I suppose they could control it.

Q. Those two?—A. That Colonel Leet could control it.

Q. That he would control it?—A. That he could control it.

Q. But Mr. Hillyer was the spokesman?—A. They both came then to make inquiry in regard to the business.

Q. Was any proposition made by them to you at that time in respect to your warehouse?—A. No, sir.

Q. That was in May, 1869?—A. I think so.

Q. When did you next see Colonel Leet?—A. I next saw Colonel Leet at the store of Mr. Lindsay, on John street.

Q. Had you been previously acquainted with Mr. Lindsay?—A. No, sir.

Q. When the first conversation or preliminary negotiation, as you may term it, connected with the general-order business, was with Messrs. Leet and Hillyer, at your residence?—A. We had no conversation except in regard to the business generally; there was no negotiation whatever.

Q. The general-order business was the point discussed?—A. Yes, sir.

Q. Was it for that they called upon you?—A. I presume it was.

Q. Had they any other business with you than that?—A. No other business; no, sir.

Q. How long after the first interview did you have the second, at Mr. Lindsay's store?—A. Well, I can't recollect, it was a short time.

Q. Can you mention it by weeks?—A. Well, possibly within a week; I wouldn't be positive about it all.

Q. What passed on that occasion, and who was present?—A. Mr. Lindsay, Mr. Leet, and myself. I had heard that Mr. Leet could control the business. I went there to see him, and to see if I couldn't get it.

Q. Did you meet him at Mr. Lindsay's store by appointment?—A. Mr. Leet, if I recollect right, had called at my store and left his card, and requested I should call at Mr. Lindsay's store.

Q. And meet him?—A. Yes, sir.

Q. You met him at Mr. Lindsay's store by appointment?—A. Yes, sir.

Q. Who introduced you to Mr. Lindsay?—A. Colonel Leet.

Q. You hadn't known Mr. Lindsay before that time?—A. No, sir; I had never seen him.

Q. Was your arrangement made with Colonel Leet at that interview?—A. Well, we had several interviews about that time.

Q. Will you be kind enough to look at that paper, [handing paper to witness.] Have you seen that before?—A. Yes, sir, or a similar paper; I presume that is the one.

Q. This paper has been identified by Colonel Leet himself as the one. Do you recognize it?—A. Yes, sir.

Q. Was that drawn by him in your presence?—A. Yes, sir.

Q. Did he write that himself?—A. Yes, sir.

Q. Did he copy that paper from any other?—A. No, sir, he didn't.

Q. This was a memorandum drawn up by him originally at that time?—A. Yes, sir.

Q. Did you assent to this?—A. Yes, sir.

Q. Did this memorandum of agreement ever take more formal shape?—A. No, sir.

Q. This was the last written memorandum made between you on this subject?—A. The last and only one.

Q. The last and only one?—A. The last and only one.

Q. Now, I observe by this that Mr. Bixby [the witness] guarantees to the party controlling the general-order business of the North River, except the Inman and National line of steamers, the sum of \$5,625, payable in monthly installments in advance. Who was the party controlling the general-order business, as understood between you and Colonel Leet at that time?—A. Colonel Leet.

Q. He was the party controlling the general-order business, as he has stated here. It is also afterwards stated that should the receipts from the storage of general-order goods exceed the sum of \$10,000 per annum, then the amount was to be increased. Do these receipts mean the receipts upon charges on general order in full?—A. No, sir; they are limited to storage alone.

Q. I understand that the three elements that compose the general-order charges are storage, cartage, and labor?—A. Yes, sir.

Q. Isn't there a profit on the cartage to the general order?—A. Yes, sir.

Q. There is?—A. Yes, sir.

Q. Isn't there a profit on the labor to the general order?—A. Yes, sir.

Q. And also on the storage to the general order?—A. Yes, sir.

Q. Then, in this case, the agreement of \$5,625 a year, and then the excess of \$10,000 per annum, is based upon the storage alone, one of the three elements of profit of that business?—A. Yes, sir. I would state, however, that the principal profit is on the storage.

Q. But it is one of the elements, and there is profit on cartage?—A. There is a small profit on the cartage.

Q. It was on but one of those elements mentioned here?—A. Yes, sir.

Q. Then the amount in excess above \$10,000 is to be equally divided between Bixby and the copartner who has influenced this business to his warehouse; that is, Mr. Leet's?—A. Yes, sir.

Q. "It is understood that all receipts from storage on general-order goods are to be considered as profit." That explains your statement before?—A. Yes, sir.

Q. "Mr. Bixby was to furnish warehouse room, as an equivalent for the influence above quoted. Should this arrangement be continued beyond one year, then the sum to be guaranteed to be \$5,000 per annum. This to take effect July 15, 1869." Was this agreement put in execution between you?—A. Yes, sir.

Q. Did you take your store?—A. I had them.

Q. Which stores then were designated as general-order stores under this agreement?—A. Nos. 56 and 58 Greenwich street, and 407, 409, and 411 Greenwich.

Q. What other general-order stores were there designated besides yours?—A. Mr. Squires's.

Q. How many had he?—A. I think he had one.

Q. And who else had any?—A. I don't remember when Mason & Co. came on the carpet, but it was about that time.

Q. What I want to ask you is, how many stores were there, or how much more storage room was designated as general-order stores on the New York side of the North River, than there are now?—A. Certainly one more on the North River, besides the Jersey stores.

Q. One more on the North River side?—A. Yes, sir.

Q. And at the same time the Cunard, Bremen, and Hamburg lines had their general-order stores on the Jersey side?—A. Yes, sir.

Q. All that accommodation existed at that time?—A. Yes, sir; mostly.

Q. Did anybody else interfere in the negotiation?—A. Yes, sir.

Q. Who were the parties?—A. Mr. Lindsay.

Q. He came in, when, sir?—A. I made an agreement with Colonel Leet for \$5,000. There was considerable delay in getting the general order—a month or a month and a half elapsed.

Q. Was that prior to this agreement?—A. Yes, sir; Mr. Lindsay insisted upon it, that we should date it back—pay him at the rate of \$5,000 from the time we commenced talking about it, which accounts for the sum being \$5,625. He wanted I should pay that down, and I wouldn't do it. I consented to increase the sum to \$5,625.

Q. You got this portion of the general-order business as you have stated?—A. Yes, sir.

Q. Did you continue to pay this to Mr. Leet after that date?—A. Yes, sir.

Q. Until when?—A. Until the agreement expired.

Q. Until July, 1870?—A. I think that was the date.

Q. Did your agreement continue for the full extent of the time agreed upon?—A. Yes, sir.

Q. One year?—A. Yes, sir.

Q. Then what happened, sir?—A. Then I lost it.

Q. Did any negotiation precede your losing it?—A. Well, Colonel Leet wanted I should pay him for it, and I wouldn't do it.

Q. Did he, during the time you were paying him monthly installments of the \$5,625 a year, complain to you of his not getting enough; had you complaints that the agreement wasn't sufficiently remunerative to him?—A. He didn't complain of anything under our agreement. He thought he ought to have more general-order business.

Q. How do you mean general-order business?—A. Well, I had only a portion of it.

Q. Now, were efforts made by him during that time to obtain the whole or more of the general-order business?—A. I am not able to answer, of my own knowledge.

Q. What was stated to you on that subject?—A. I understood he was making an effort for more, but I couldn't swear to it.

Q. Was Colonel Leet a stranger to you prior to the month of May, 1869?—A. Yes, sir.

Q. What was his occupation during that time?—A. I think he was on General Grant's staff.

Q. What was his occupation in the city of Washington?—A. Warrior, I believe.

Q. Sir?—A. I believe he was a warrior.

Q. Was he in the Army of the United States?—A. Yes, sir.

Q. Did he so continue during the time that this agreement was in existence?—A. Yes, sir.

Q. I understood you paid him the money during the year, as you had agreed to?—A. Yes, sir.

Q. Did Colonel Leet have anything to do with the actual transaction of the general-order business during the time that you and he had this agreement?—A. The details of the business?

Q. Yes, sir.—A. No, sir.

Q. Did he put in any capital?—A. No, sir.

Q. Did he give any assistance whatever?—A. No, sir; only to get the general order.

Q. He obtained the designation of the general order to your stores?—A. Yes, sir.

Q. Is that the sole sum and substance of his action in the case?—A. That was all.

Q. What other gentleman, besides Lindsay, Leet, and General Hillyer, had interviews with you either before or during this arrangement that you had with him to pay him this annuity?—A. No one, in regard to the payment of the money to Colonel Leet.

Q. How were your payments made to Colonel Leet?—A. In different ways. Sometimes, if Colonel Leet was here, I paid him here; if he was in Washington I sent the checks to him at the War Department.

Q. Did you ever make payments to him through Mr. Lindsay?—A. I think I did at first.

Q. Your checks for this arrangement were directed to him at the War Department?—A. Latterly, I think, in the early part of the agreement, I paid the money to Colonel Leet, or left it for him.

Q. Sometimes Colonel Leet came on and received it in person?—A. Yes, sir; he came here nearly every month. He had no regular time for coming.

Q. Do you know how Colonel Leet obtained control of the general-order business?—A. I don't.

Q. Do you know what influences obtained for him the control of this business?—A. Not of my own knowledge; no, sir.

Q. Did he ever state to you the influence he relied upon to obtain either what he had or the increased amount which he desired to get?—A. I am not able to state that he ever did make any such efforts. I was under the impression, or I thought I knew what the influences were. I thought at that time that he was a relation of General Grant or of General Grant's wife, which would easily account for it.

Q. Whence did you derive that impression?—A. From a rumor that existed here.

Q. Did you hear it from him?—A. No, sir; I didn't, because I understand he is not related to him. I supposed he was when I was dealing with him, but I didn't ask a great many questions about it.

Q. You have had this business for a good many years; will you be kind enough to inform the committee how general-order charges are rated, and what basis of law they have?—A. I can tell you how they should be regulated. The chamber of commerce, I think, in 1857, established rates of storage which should govern in matters of this character, and those are the rates that should be charged in general-order stores.

Q. What is there in general-order storage and general-order charges which should

make them higher and different from bonded-warehouse charges?—A. There is no good reason why they should be higher.

Q. Sir?—A. There is no good reason why they should be higher, except that they can do it.

Q. They can do it?—A. They can charge higher.

Q. Now, if they do charge higher, what would be the regulating power that should repress those charges?—A. Well, the collector could cease sending goods to the general-order warehouse.

Q. Could the abuse in the system of exorbitant charges exist without the tacit consent of the collector?—A. The only remedy that he could apply would be to stop sending goods there.

Q. How do the rates of general-order charges compare with those of former dates, sir?—A. When we commenced business in 1846 we charged for storage, labor, and cartage 80 cents and 90 cents a case, for the same style of case that they now charge \$1.25 and \$1.50 for. During the war, about the time that gold got to be two hundred, the price of storage increased about double. When Collector Draper came into office he allowed us to charge 60 per cent. additional on the rates established by the chamber of commerce. Collector Barney, before Mr. Draper's administration, had sanctioned an increase of 150 per cent. When I received the general-order business, under the arrangement with Colonel Leet, Collector Grinnell insisted upon it that the charges should be reduced.

Q. What were your charges?—A. Our charges at that time were a \$1.50 case for this same service.

Q. To what did you reduce your charges?—A. To \$1.20.

By Mr. PRATT:

Q. How much had they been before?—A. About \$1.50 for the ordinary package of dry-goods.

By Mr. BAYARD:

Q. For the average package?—A. Yes, sir.

Q. Were your charges during that period \$1.20, during the Grinnell administration, since you held it?—A. Yes, sir.

Q. What proportion was cartage, what labor, and what storage?—A. We usually divided it into three parts.

Q. In your settlement with Colonel Leet, was that the basis of your settlement?—A. Yes, sir; of course circumstances will alter cases.

Q. Were your books of account with him kept on that basis—an average of 40 cents?—A. Yes, sir.

Q. Now, what is that above the chamber of commerce rates?—A. Well about 30 per cent. for an ordinary package of dry-goods. The chamber of commerce rates would allow 30 cents labor and 30 cents storage.

Q. That would be 80 cents, or a little over the chamber of commerce prices?—A. A little more than that; about 93 or 94 cents.

Q. That would be the average?—A. Yes, sir.

Q. Now, sir, at that rate of warehousing, would warehouse-men, or would you, as a warehouse-man, now, and others engaged in the business, be glad to embark in the business of warehousing at the chamber of commerce rates?—A. Yes, sir; we would be very glad indeed to do it.

Q. Do you consider it a profitable business at 90 cents?—A. Yes, sir.

Q. You have had how many years' experience in that matter?—A. In warehousing?

Q. Yes, sir.—A. Sixteen or seventeen years.

Q. Let me ask you how does that rate of ninety cents compare with the present rates ordinarily obtained in the warehouses in the city?—A. Very much higher.

Q. How much?—A. Well, there are no uniform rates in regard to storage at this time.

Q. How much higher is 90 cents than the rates ordinarily obtained?—A. Well, from 10 to 20 cents.

Q. Then 80 cents would be the average of the present rates?—A. It is hardly a fair criterion to go by, because warehouse-men are all losing money by storing at that rate.

Q. Do you mean that the rates at this time are exceptionably low?—A. Yes, sir.

Q. Do you consider that the bonded warehouses, as they now exist and as the system is now carried on under Leet & Co., is a convenient one to the merchants of this city?—A. No, sir; I don't.

Q. State why, and its inconvenience and disadvantages to them?—A. In the first place there should be more stores; the carting of general-order goods into one warehouse must necessarily produce a great deal of confusion, inconvenience, delay, and damage.

Q. How, in regard to the distance of cartage?—A. If I had a map here, I could show you wherein the injustice exists, and I could explain myself better.

Q. What are the three classes of warehouses as established by law?—A. There is one class where the merchant is allowed to store his own goods solely.

Q. What is that termed?—A. I don't know whether that is class one or two.

Q. Class No. 3 is a bonded warehouse?—A. Yes, sir.

Q. Now, sir, can't any bonded warehouse of class No. 3, which has been classified as such under the regulations, become a general-order warehouse?—A. Yes, sir; they are all general-order warehouses under the law.

Q. Doesn't it require the particular designation of the collector in order to get that business to that class of warehouses?—A. The collector by sending goods there makes them general-order warehouses. They are all compelled to take general-order goods, if sent. It is so stated in the bond which they give.

Q. It has been stated before this committee that the general-order warehousemen have very heavy responsibilities, and were subject to great possible inconvenience in being compelled to take any goods that were ordered there. Let me ask you whether any warehouseman is not liable to have the same order at any time by the collector of the port?—A. Yes, sir.

Q. Then the persons who may be designated at this present time by the collector as general-order warehousemen are not any more open to be called upon to receive an unexpected character or amount of merchandise than any other bonded warehouseman; they are not compelled, I mean, to keep any more room than any other bonded warehouseman?—A. They are not compelled to keep any room at all unless they choose to.

Q. It has been stated to us a reason why the general-order charges for warehousing should exceed those of other bonded warehouses, that they were compelled by reason of their being designated as general-order warehouses to receive any description of goods whatever. I want to know whether any other bonded warehouseman is not subject to the same order, and is not compelled to receive the same goods, and is not subjected to the same sudden inconvenience?—A. They are liable to have those goods sent to their warehouse, of course.

Q. And they must receive them involuntarily as much as the general-order people?—A. Yes, sir; that is specified in the bond which makes that a bonded warehouse.

Q. As you have now a map before you and can state in regard to the inconvenience arising from having the general-order business confined to two warehouses, I wish you would do so?—A. Leet & Stocking's stores are located at Leroy and West streets, the appraiser's stores are on Greenwich near Hubert. That distance is about two miles, or two miles and a half.

Q. From the general-order stores to the appraiser's store?—A. Yes, sir; two miles, at any rate. What I contend is, that it is a wrong to send general-order goods from the lower end of the city away up to Leroy street. The Cunard stores are nearly opposite the appraiser's store in Jersey City, and they very naturally landed nearly opposite the appraiser's store. All along Washington and Greenwich streets are bonded warehouses, any or either of them as good as those on Leroy and West streets. What I complain of is, that it is wrong to send all these goods this distance of two miles, and a great portion of them have to come back again. It is true not many cases are landed in the lower part of the city.

Q. As an actual fact, by measurement, the distance from the Cunard stores to the public docks is a little more than one-half the distance from the public stores to Leet & Co.'s warehouses on Leroy street?—A. Yes, sir. Still there is a ferry that runs there.

Q. That ferry runs directly across?—A. Yes, sir.

Q. Having but one or two bonded warehouses designated as general-order stores, does or does not confusion necessarily arise in the receipt and delivery of the merchandise?—A. Yes, sir.

Q. And does not that confusion cause a delay?—A. It must necessarily.

Q. Do you know of any reason, inconsistent to the security of the Government for its duties, and convenience of the merchant as to promptness and lessened expense, which would arise from allowing all the lines of steamers having general-order stores adjacent to their points of landing?—A. I don't think that a line of steamers should have a warehouse of its own.

Q. Well, we will state it in this way: do you know of any reason why there should not be a bonded warehouse adjacent to the point of landing of the importations into New York as many in number as the chief lines of steamers?—A. No, sir; I know of no reason why there should not be.

Q. Is there any possible want of security to the Government from having such a number of general-order warehouses located as I have suggested?—A. None whatever.

Q. Is there any whatever?—A. No, sir.

Q. Wouldn't the economy of the merchant and his convenience be considerably enhanced by having them?—A. Most unquestionably.

Q. In what are the expenses of a general-order store greater than those of an ordinary warehouse?—A. They do more business; that is all. Therefore, their expenses are proportionately larger.

Q. If they do more business, their charges are in proportion to the business they do?

—A. Yes, sir.

Q. And they receive more profit?—A. Yes, sir.

Q. If they did less business, they would be at less expense?—A. Yes, sir.

Q. Ought, therefore, the charges of a general-order warehouse to be in the same ratio as the charges of an ordinary warehouse?—A. I do not see why they should not be the same.

Q. You have studied and considered this business practically?—A. Yes, sir; in all its forms.

Q. And that is a question which strikes me as a very important one for this committee to understand; and I will repeat, therefore, whether you know of any just reason why the charges in a general-order warehouse should exceed the ratio of charge in an ordinary bonded warehouse?—A. There is no reason why it should be so.

Q. Is there any reason why the cartage should be greater upon a package, or the labor be greater upon a package, or the storage greater upon a package in one than in the other?—A. None whatever, sir.

Q. Let me ask you another question. As a matter of fact, could a person who has a large amount of general-order business afford to take the goods upon a less charge of storage than an ordinary bonded warehouse?—A. Certainly.

Q. Now, give us your reasons for that.—A. They can use the same room two or three times a month. General-order goods come in quickly and go out quickly. They come in to-day, and go out to-morrow. It is a month's storage, whether they stay there an hour or a month. They can use the same room three or four times over. In a bonded warehouse a merchant will generally leave his goods in for thirty days.

Q. I presume, if he engaged it for a month, it is his interest to let the goods remain a month?—A. He will keep them there for a month, as a general thing.

Q. But such considerations do not apply to the general-order warehouses?—A. Not usually.

Q. You have had the general-order business, as a warehouseman, and you have had the ordinary warehouse business?—A. Yes, sir.

Q. I will now ask you whether there is less trouble and labor to the general-order warehouseman, in breaking out and delivering an identical package of goods, than there is to a bonded warehouseman, ordinarily?—A. There is no difference whatever.

Q. Let me ask you further; if you had, for instance, a hundred casks of brandy on storage in your bonded warehouse, where it was stored by the month, and, as you say the merchant would be apt to keep it there a month, in order to secure the full benefit of his month's storage, wouldn't you be as often called upon to take out a single cask which might be on a lower tier, or in a remote point, than you would be in a general order?—A. Goods in a general-order store usually go out in bulk. In a bonded warehouse they are taken out in packages.

Q. Isn't the labor much greater in the bonded warehouse than in the general-order store, in cases of that character?—A. Yes, sir.

Q. My reason for that question is that somebody connected with the general-order warehouse stated to the committee that they were subject to immense labor, trouble, and care, in the general-order stores, in such a case as I have mentioned, which would not occur in the bonded warehouses. It occurred to my mind that it was directly the converse of that. I wish to have your testimony on that.—A. I don't imagine there is any real difference in the expense of getting a package out of the general order from the expense of getting it out of an ordinary warehouse.

Q. I will ask you whether in a bonded-warehouse you are not called upon frequently to deliver single packages inconveniently situated, whereas, in general-order they go out in bulk?—A. There are cases of that sort, of course.

Q. What is the Chamber of Commerce rate of charge?—A. They have nothing to do with the cartage.

Q. Isn't the cartage fixed in any way?—A. It is fixed by city ordinance, so far as the city carman is concerned. Those that cart for the Government, the rates are established by the collector.

Q. What do you call the current lawful rates of cartage?—A. Fifty cents a cart-load for the first half mile, and one-third additional for each additional half mile.

Q. What is that cart-load?—A. Twelve hundred pounds is the legal load.

Q. How many of the average packages that you refer to go to a cart-load?—A. Two to three.

Q. Making an average of two and a half?—A. I should think about two and a half.

Q. That would be at 50 cents for the first distance—about 20 cents a package?—A. Yes, sir.

Q. Now, sir, is there in the general-order itself a profit on cartage?—A. Yes, sir.

Q. Which was the most profitable of those three elements of charge—cartage, labor, or storage?—A. Storage.

Q. And that, I understand you, was for the reason that the same store-room would

accommodate, under what I might term the constructive system of charge, four times the number of packages when you would be compelled to keep them the full month?—A. Yes, sir.

Q. If your charge was \$1.20—40 for storage, 40 for labor, and 40 for cartage—you paid \$1.20 a package?—A. Well, the cartage on most of the goods to my warehouse would be 67 cents a load.

Q. Well, we will put it at 67 cents a load. Your charges were at the rate of \$1 a load, and that left you 33 cents profit upon each load?—A. Yes, sir, if we always get the full loads it would leave a profit.

Q. Then your cartage was a systematic source of profit to you?—A. It was a source of profit, yes, sir; but not to that extent, however.

Q. If the rates had been kept down to the current rates, which you say were usual and lawful under regulations here, that would have been the rate, wouldn't it—two and a half packages at a load, at 67 cents a load?—A. I know; but the legal load is 1,200 pounds. They would bring, for instance, two cases weighing 500 pounds, which would constitute a load.

Q. What is the average weight of an ordinary box of dry-goods?—A. Well, 400 pounds; 300 to 500 pounds. It is often that they have two packages to the load, instead of three, and sometimes only one.

Q. And then, sometimes, they take how many?—A. They take a good many more if they are light.

Q. Up to how many?—A. I don't know that there is any criterion that I could go by. The average should be two and a half.

Q. Now, at this present time, I understand you to say that you would very gladly enter into the general-order business of the port of New York, if 90 cents a package were secured to you?—A. Yes, sir.

By Mr. CASSERLY:

Q. You spoke in regard to 90 cents. What are you now charging in your bonded warehouse business for similar packages?—A. Well, the rates vary, but ordinarily 25 cents for storage and 25 cents for labor.

Q. That is exclusive of cartage?—A. With warehouse goods the merchants usually do their own carting.

By Mr. BAYARD:

Q. I understood you to say, sir, that it cost no more to receive and deliver goods in a general-order store than in a bonded warehouse?—A. Not a penny more, sir.

Q. You can do more storage in the same building for the reason which you have given, under the general-order system?—A. Yes, sir.

By Mr. CASSERLY:

Q. Was the general-order business on the North River considered a valuable prize?—A. Yes, sir; it has been, and is now, I believe.

Q. At the time Mr. Leet got it, was it so considered?—A. Yes, sir.

Q. Was he or not a stranger in this city at that time?—A. I believe he was, sir.

Q. Was there any competition for that business by men of political influence and standing here at that period for the general-order business?—A. There was considerable strife to obtain it.

Q. Did you state what influences enabled Colonel Leet, who was comparatively a stranger, to carry off that prize?—A. I haven't.

Q. Will you state them now?—A. I don't know, sir, what they are.

Q. In the negotiations which ended in the arrangements shown in the written memorandum drawn up by Colonel Leet, between you and him, did he act for himself generally?—A. Yes, sir.

Q. Did he take considerable part in the negotiations; was he quite active in them?—A. Yes, sir.

Q. Mr. Lindsay didn't act for him in the main, or did he act for him at all?—A. He did to some extent; yes, sir.

Q. But Colonel Leet principally attended to it himself?—A. Yes, sir.

Q. You stated that the arrangement between Colonel Leet and you was terminated. State at what period that was.—A. Well, I don't recollect the exact date; it continued for about a year.

Q. You said that Colonel Leet wanted his portion of the proceeds increased?—A. In his arrangement with him?

Q. Yes, sir.—A. Yes, sir; he wanted I should pay him more.

Q. That you declined to do?—A. Yes, sir.

Q. Did he give any reason for wanting more?—A. No, sir.

Q. Did he put it on the ground that he didn't get enough?—A. I only inferred that he didn't get enough; he didn't give me any reasons at all; he wanted I should give him more, and I wouldn't do it.

Q. After the termination of the arrangement between you and him, what did Colonel Leet do in regard to the general-order business?—A. He went into warehouses of his own.

Q. Did he go into partnership with anybody?—A. I understood it.

Q. With whom?—A. I only know, by general rumor, that he went into partnership with Mr. Stocking—originally with Stocking and a man named Horton.

Q. When the general-order business was taken from you what was done with it?—A. It was sent to Leet and Stocking.

Q. Was it sent to them or to Mr. Horton?—A. Well, they were all together—Leet, Stocking, and Horton.

Q. Have you stated how the prices under the present system, as conducted by Leet and Stocking, compare in the general-order business with prices heretofore demanded?—A. I have stated in regard to the prices at different periods.

Q. Are the present prices higher or lower than heretofore?—A. They are higher than they were in 1856, and lower or about the same than they were in 1866.

Q. How was gold in 1866 as compared with the recent rates?—A. They were very much higher; I don't recollect what the rates were.

Q. Did you first apply to Mr. Grinnell in this matter for a portion of the general-order business?—A. I made a formal application to Mr. Grinnell for the business.

Q. What was the result?—A. The result was, after a while I got a part of it.

Q. Will you state whether you got it on your own application, as first made?—A. I think not, sir.

Q. Did you make any other than the first application?—A. To Mr. Grinnell?

Q. Yes, sir; in writing.—A. In writing; no, sir.

Q. How long after did Colonel Leet open negotiations with you?—A. After I made the application?

Q. Yes, sir.—A. I think I made the application about the time that we commenced the negotiations.

Q. Who first informed you that you were to have the general-order business at the store?—A. If I recollect rightly it was Colonel Leet.

Q. Did you get it immediately upon that information, or was there a delay before you got it?—A. There was a long delay, extending over six weeks from the time that I expected to receive the goods.

Q. Did you speak to him about that delay from time to time?—A. Yes, sir.

Q. What did he do, if anything, to hurry the business?—A. He endeavored to bring about the result that we were seeking for; I don't know in what way.

Q. Did he go to the custom-house about it?—A. I understood so, sir.

Q. And finally you commenced receiving the general-order goods?—A. Yes, sir.

Q. Since you have been in the general-order business have you been obliged to pay for obtaining it; if so, how often, and when?—A. Never before.

Q. Never before when?—A. Never before I made this arrangement, if you term that arrangement paying for it.

Q. I will let you characterize it yourself; I think you are perfectly competent. Did you consider you were paying for that business or not?—A. I did, sir.

Q. Mr. Grinnell knew of this arrangement of yours with Colonel Leet, didn't he?—A. He never said anything to me in regard to any arrangement with Colonel Leet.

Q. Was it possible for him not to know it?—A. I presume not.

Q. There could be no doubt about it, I presume?—A. I don't know how there could be.

Q. You say that Mr. Grinnell knew about your arrangement with Colonel Leet?—A. I don't say so positively.

Q. Did you ever tell Mr. Grinnell?—A. That I had an arrangement with Colonel Leet?

Q. Yes, sir.—A. No; I don't think I did.

Q. How do you know that he knew of it?—A. I knew that Colonel Leet made the arrangement for the storage of these goods.

Q. Made the arrangement with Mr. Grinnell?—A. Yes, sir.

Q. Were you present?—A. No, sir.

Q. You have no personal knowledge then upon the subject?—A. No, sir; except that Mr. Grinnell ordered the goods to my store.

Q. You had the general-order business from 1856 to 1866?—A. About that time; I don't recollect the date exactly.

Q. For ten years?—A. For about ten years.

Q. Under what collectors?—A. Collectors Schell, Barney, King, and Draper, and up to the time that Mr. Smythe came in.

Q. I understand you to say that the rates for the cartage, storage, and labor attained their maximum heights under the administration of Mr. Barney?—A. Yes, sir.

Q. At that time did those rates amount to as much as two and a half or three dollars?—A. No, sir.

Q. What was the maximum rate?—A. Well, from \$1.50 to \$2.16.

Q. That was the highest limit obtained during the ten years that you had that business?—A. On ordinary sized packages of dry-goods.

Q. That was in the year of 1863 or 1864?—A. Well, when gold was two hundred and fifty. I don't recollect the year.

Q. How long had those charges prevailed?—A. Well, at \$1.50 they continued right along during the administration of Mr. Barney, Mr. Draper, and Mr. King.

Q. Do you think they were fair rates at that time?—A. Yes, sir.

Q. You thought that from \$1.50 to \$2.16 were fair rates at the time they were charged?—A. Yes, sir.

Q. What were the rates in 1856, when you first took it?—A. Eighty and ninety cents for the same service.

Q. Do you think that service any more now than in 1866?—A. I think it is worth more now.

Q. I understand you to say that a warehouseman could make a fair profit at 90 cents now for carting and storing packages, and the labor bestowed upon them?—A. He can make a profit; I don't say he can make a fair profit, but a profit.

Q. Do I understand you to say that 90 cents would not afford a fair profit?—A. O, it would afford a reasonable profit.

Q. What do you mean by a reasonable profit? I want to get at your ideas of what is a fair profit for the labor and capital and risk.—A. How much a man ought to make a year out of his business, do you want to know?

Q. I want to know what you consider would be a fair profit—what he should charge for a package in order to make a fair living profit at this time?—A. I think he can make a fair living profit by charging 30 cents a month.

Q. Ninety cents for cartage, labor, and storage?—A. Thirty cents for storage, 30 cents for labor and whatever is paid for cartage, and a little more.

Q. I understand you to say that you got that substantially when you first commenced business in 1856?—A. Yes, sir.

Q. Are not rents higher and labor higher than they were in 1856?—A. Yes, sir.

Q. Why, then, should not the warehouse-men charge higher?—A. I think he should.

Q. What percentage higher?—A. We used to pay \$8 a week to a laboring man, and we now pay \$12 to \$14. For a transient laborer we used to pay from 12 to 15 cents an hour, and it is now any price up to 40 cents.

Q. That is, where a warehouseman now pays 40 cents for labor per hour, in 1856 you used to pay from 15 to 18 cents?—A. From 12½ to 15. We employ very few men by the hour; they should not at any rate.

Q. Isn't it a customary practice to pay 40 cents an hour for the laborer employed in the general-order stores and by the weighers?—A. No, sir; not as regards the general order. They can call in a man to work for an hour, and pay him 40 cents an hour. The bulk of their labor is performed by the week.

Q. Is not 40 cents the customary rate in the weighing department?—A. I don't know anything about that.

Q. Well, how do rents compare now with the rents in 1856, when you first took hold of this business?—A. Rents haven't gone up very much.

Q. How much higher are they?—A. I think in one warehouse that I have now, and that I had at that time, I paid precisely the same rent.

Q. Do you say that is true, as a general rule, that rents are no higher now than they were in 1856?—A. No, sir.

Q. On the contrary, are they not 100 per cent. higher?—A. No, sir; I don't know that they are.

Q. Well, what per cent. do you say they are?—A. Well, I don't think it would exceed 50 per cent. I don't know that it would amount to so much as that.

Q. Well, fix your own figures.—A. Fifty per cent.

Q. Does that apply to such buildings as are used for warehouses?—A. Yes, sir.

Q. You think that warehouses would cost 50 per cent. more for rent more than in 1856?—A. Yes, sir.

Q. Such as are necessary for general-order business?—A. Yes, sir.

Q. And yet I understand you to say that 80 and 90 cents a package was a fair rate in 1856 for cartage, labor, and storage?—A. Yes, sir.

Q. And that 90 cents is enough now?—A. It is not enough; it would afford a profit now.

Q. Did those charges make a large profit to the warehousemen in 1856?—A. Yes, sir, a pretty comfortable profit.

Q. The principal profit, I understand you to say, while you were in the business was in the storage?—A. Yes, sir.

Q. Did you make a profit on what your labor cost you?—A. Yes, sir.

Q. How large a percentage?—A. Well, it is pretty difficult to arrive at any accurate estimate in that regard; of course it would vary under different circumstances.

Q. Can you give an estimate of the percentage of the profit made on labor?—A.

Well, I think that the handling of an ordinary case of dry-goods under a fair condition of things would pay 30 per cent. ; I don't know that it would average that.

Q. You mean you would charge 30 per cent. more than the labor would actually cost?—A. I mean that a case that would be charged 30 cents for labor the labor could be performed probably for 20 cents under a fair condition of things.

Q. A difference of about one-third, then. Now, as to cartage. Did I understand you to say that you were in the habit, when you had the general-order business, of charging merchants for the cartage of general-order goods to your store more than you actually paid the carman for it?—A. The charge for storage was a lumping charge.

Q. I am not speaking of the charge for storing; I am speaking of the cartage. Do I understand you to say that you charged the merchants for the carting of general-order goods to your store more than you actually paid the carmen for their services?—

A. We charge a certain price for a case, which includes cartage, labor, and storage.

Q. Will you please answer my question?—A. I am answering it, sir.

Q. Not directly.—A. I didn't charge the merchants anything for cartage except as it was embodied in this one general charge for labor, storage, and cartage.

Q. In making up the bill did you put the cartage at any more than the price you had paid the carman?—A. Well, it didn't enter into the arrangement at all what we paid; we charge so much a case.

Mr. BAYARD. He has stated there was a profit on the cartage.

Mr. PRATT. I want to know how much the cartage is?—A. We subdivide the charge of \$1 25 into 40 cents storage, 40 cents labor, and 40 cents cartage. We would be liable, however, to pay only 33 cents for cartage. There are cases occurring where we pay 60 cents, and only charge the merchant 33 cents.

Q. Do I understand you as designing to be understood that that was a uniform practice while you were in the business, to charge an advance upon what you actually paid for the cartage?—A. Wherever the charge was made separate and apart there was a custom of charging a small advance which would cover the interest of the money and the use of it.

Q. Your books always showed, of course, just how much you had paid for cartage upon every package, did they not?—A. No, sir.

Q. You keep no account of how much you paid out for cartage?—A. Yes, sir.

Q. Didn't you charge it up for each package?—A. No, sir.

Q. The goods, of course, that were sent to your general-order store were unclaimed goods. You knew nothing about the owners?—A. I had no positive knowledge of them.

Q. One load might contain three or four packages belonging to as many different owners?—A. Yes, sir.

Q. Then why should you not charge up against each package the cost pertaining to that package?—A. Because we charge so much for the packages, which includes the actual service—storage, labor, and cartage.

Q. Suppose the packages were of different sizes; suppose one package weighed 300 pounds, another 400 pounds, and the other 500 pounds, would the charges be the same?—A. No, sir.

Q. How would you graduate them?—A. We would charge more for the package that weighed 500 pounds than for the one weighing 300 pounds.

Q. Now let me know what your charges would have been, while you were in the business, on the 500-pound package and how much on the 300-pound package?—A. Well, that would depend a little upon the size and character of the package; if it was a very large package and weighed 500 pounds we should charge more than we would for a small package that weighed 300 pounds.

Q. It would depend upon its shape, bulk, &c.?—A. Yes, sir; we generally give ourselves the benefit of the doubt; if the package is a heavy package, but not very large, we charge for it as a heavy package, but if it was light and bulky we would charge for its bulk.

Q. At the time that Mr. Grinnell was appointed collector I understand you to say that Meyer and Smith had the general-order business on the east side of the North River?—A. Yes, sir.

Q. On the west side, or the Jersey side, of the North River the Cunard, Bremen, and Hamburg lines had the general-order business, I understand?—A. Yes, sir.

Q. Did Mr. Grinnell succeed Mr. Smythe?—A. Yes, sir.

Q. Did you have a portion of the general-order business up to the expiration of Mr. Smythe's term of office?—A. For a very short time we had a very small portion of it—one line of steamers.

Q. My question is whether it continued up to the term of Mr. Smythe?—A. Yes, sir.

Q. How long a time elapsed, then, before you again became interested in the general-order business?—A. This one line was continued in my warehouse.

Q. After Mr. Grinnell came in?—A. After Mr. Grinnell came in; yes, sir.

Q. What addition was made to this line after your negotiations with Colonel Leet?—A. All the general order in the North River, except two lines of steamers.

Q. What were those two that were excepted?—A. They were the Inman line and the National line.

Q. Who had that business?—A. Who had that when I had the other?

Q. Yes, sir.—A. Mr. Squires.

Q. Before May, 1869, I understood you to say that you had no acquaintance at all with Colonel Leet?—A. About that period; I don't recollect the exact time.

Q. Your first acquaintance with him was at the time that General Hillyer and he called upon you at your house on Fifth avenue?—A. Yes, sir.

Q. And at that time you had the business of only a single line of steamships, I understood you to say?—A. Yes, sir.

Q. Was that paying you very well?—A. No, sir.

Q. Squires had the whole balance of the business on this side at that time?—A. No, sir.

Q. Squires and who else?—A. Squires and Smith had it at that time—Myers and Smith.

Q. You say that General Hillyer and Colonel Leet came to make inquiry of you about the business. Did they inquire of you about the profits of the business? Did you converse with them about your experience in the business from 1856 to 1866?—A. I don't know exactly the range of conversation. It was general, and in regard to the general-order business.

Q. Did it relate to the profits of the business?—A. I don't know that it did specifically.

Q. Did you have any acquaintance with Mr. Lindsay at that time?—A. No, sir; none whatever.

Q. I understand you to say you received a note or card from Colonel Leet requesting you to call and meet him at Mr. Lindsay's place of business in John street?—A. Yes, sir.

Q. That was the occasion of your second interview?—A. Yes, sir.

Q. You think that was perhaps within about a week after the first one?—A. I won't swear positively; that's my impression.

Q. That was still, then, in the month of May, was it?—A. Yes, sir.

Q. Was it at that interview that this paper was drawn up that has been referred to?—A. No, sir.

Q. At this second interview, I understand you, no one was present except yourself, Lindsay, and Leet?—A. Yes, sir.

Q. You say you had several interviews about that time. Were they always at Mr. Lindsay's?—A. Yes, sir.

Q. How many of those interviews were before this paper was drawn up, bearing date of the 20th of July, 1869?—A. I don't remember, sir.

Q. How?—A. I can't recollect.

Q. Were those interviews always had in regard to this general-order business? Was that the subject-matter of every interview?—A. Yes sir; I should think it was. We had no other business, that I know of.

Q. Is this the original paper as it was drawn up by Colonel Leet? [Referring to document.]—A. That is the paper that was drawn up by him. I think it is the original.

Q. You saw him write it, did you?—A. Yes, sir.

Q. You know this to be his own writing?—A. Yes, sir; that is the paper that I saw a few moments ago, isn't it?

Q. Yes. That is his handwriting?—A. I think it is. I know he wrote a paper of that character, and I think that's the one.

By Mr. BAYARD:

Q. That paper has been exhibited to Mr. Leet, and he said that it was in his own handwriting, and the original paper. He said something else about his having copied it from another draught, but that is a statement Mr. Bixby says is an error; that he wrote that himself, and there was no other paper whatever.

The WITNESS. I don't want to go to that extent, that he had no other paper before him. I didn't see any; I saw him write that paper and there was no dictation about it.

By Mr. PRATT:

Q. At the time this paper was drawn up had the general-order business been taken away from the Cunard, Bremen, and Hamburg lines?—A. No, sir.

Q. How long after the date of that paper was this business taken away from there?—A. That was taken away by Collector Murphy; I don't recollect when; a year or more afterward.

Q. O, yes; it was taken away some time in 1870?—A. Yes, sir; I think so; I don't recollect.

Q. I understood you to say that this was the only agreement that you had with Colonel Leet, and embraced your entire agreement?—A. Yes, sir.

Q. And when it says that F. M. Bixby guarantees to the party controlling the general-order business of the North River, except the Inman and National lines of steamers, the sum of \$5,625 per annum profits, &c., that the party means Colonel Leet, so far as you know, and no one else?—A. That's it, sir.

Q. You understood your relation with him to be that of a partner, did you, in this business?—A. Well, hardly a partner.

Q. I notice that that term is used here?—A. Yes.

Q. After mentioning the price per annum the article goes on to say, "payable in monthly installments in advance; and should the receipts from the storage of general-order goods exceed the sum of \$10,000 per annum, then the amount in excess to be equally divided between Mr. Bixby and the co-partner whose influence directs the business of his warehouse." That term applied to Colonel Leet still, I suppose?—A. Yes, sir.

Q. Was Colonel Leet, under this arrangement, to have any interest in any of the other profits, excepting those arising from storage?—A. No, sir.

Q. You stated in your examination-in-chief where your stores were located at the time you made this arrangement?—A. I did, sir.

Q. How were your stores located, with reference to that of Leroy on West street—were they higher up or further down?—A. Lower down.

Q. How much below?—A. Nearly a mile.

Q. How were they in relation to Leet & Co.'s warehouse on Washington street?—A. One of our stores is in the immediate proximity of that one; the other one was a mile lower down, in the neighborhood of the appraiser's stores.

Q. In this connection let me ask you whether you regard the warehouse on Washington street as conveniently located for the importer?—A. It is for that district.

Q. You are familiar with both of those stores now used by Leet & Stocking, are you; that upon Washington street and that upon Leroy and West streets?—A. I am entirely familiar with the one on Washington street, as I occupied it ten years; the other I know but little about.

Q. That, I believe, is a smaller one than that on Leroy and West, isn't it?—A. Well, I don't know as it is much smaller. I don't know much about the store on Leroy and West streets; I never noticed it particularly. It covers more territory, but it isn't so high.

Q. How many stories high is that on Washington street?—A. Two.

Q. This other one is how many stories?—A. Two or three; I don't know whether it is two or three.

Q. Did I understand you to say, in your examination as conducted by Mr. Bayard, that those two stores have not sufficient capacity to furnish room for all goods sent under general order?—A. They get all that are sent under general order in these stores apparently, because they have no other, but it must produce a good deal of crowding and confusion at times.

Q. You say it must; have you been present, to verify that fact?—A. I know on general principles; I haven't been present. I don't stand in their store to watch their business. I know on general principles it must be so.

Q. That would imply that you know how many goods are sent under general order now?—A. I do generally know.

Q. What means have you of knowing?—A. I know by the common rule that governs those things. I know that a steamer arriving with 1,000 tons of cargo, and commences work immediately, nearly all the goods go under general order; and I know that a steamer arriving with 1,000 tons of cargo lies two days before we commence; that a couple of hundred will be about all that will go. It is in that way that I know about the amount of business that goes into a general-order store.

Q. Have you heard any complaint within the last year of want of room in the stores of Leet & Stocking, and of any confusion in the receiving and delivering of packages?—A. O, yes, I have heard of delays occurring there.

Q. How?—A. Yes, sir; I have heard of delays occurring there; not more than are incident, though, to trade generally.

Q. What interest did you understand that Mr. Lindsay had in that matter; you say that he intervened, or, at all events, that he mixed in these conversations at the time you were making arrangements with Mr. Leet?—A. I understood that he was a friend of Mr. Leet; a friendly interest only.

Q. You say, as this agreement was drawing to a close and the year was about to expire, that Colonel Leet wanted you should pay him more in case you continued your arrangement; did he fix upon the price?—A. No, sir.

Q. You declined to pay any more than you were paying then?—A. Yes, sir.

Q. At that time had the general-order business been taken away from these lines on the other side of the river?—A. No, sir.

Q. You had no knowledge at that time that they would be taken away?—A. No, sir.

Q. Suppose you had, would you have offered him higher terms?—A. If I could have had the business I would.

Q. What, in your opinion, during the year 1871, was the general-order business fairly worth; I mean, now, for North River?—A. Including Jersey City and Hoboken?

Q. Yes; both sides.—A. I should say about \$60,000 to \$75,000.

Q. Do I understand you to say that a man would have made that much profit?—A. If he had administered the business fairly and economically, possibly it would not have exceeded \$50,000. I should think that it might, possibly and probably.

Q. You base that estimate upon your experience of several years in the business?—A. Yes, sir.

Q. Will you please state, then, to the committee how much profit you made while you had the general-order business, each year?—A. I don't know, sir; I can't tell you.

Q. Can you tell how much you made in the aggregate?—A. No, sir.

Q. Did you keep no accounts?—A. Yes, sir.

Q. Where's the trouble then in giving us the information?—A. No, sir; I don't recollect anything about it.

Q. You have not burdened your memory with it?—A. No, sir; I have had the money and spent it, and I don't think of it any more. I simply know, in regard to the year that I had this business of Colonel Leet, that the storage part of it didn't exceed \$10,000.

Q. That is, the profits from the storage business?—A. That was the storage part of the business itself; but we only had a small part of the business, however.

Q. How much was the profit from the labor and cartage items?—A. Well, there wasn't any profit, because we didn't make any money.

Q. After paying him, then, the \$5,000 agreed upon, you made no profits, I understand you?—A. Didn't make a cent.

Q. What accession has there been to the general-order business since the time when you say you made no profit during the year that you had it?—A. It has been very large. It has had the accession of the Inman line, the National line that Mr. Squires had, and the Cunard line, goods from which are stored at that house.

Q. Would that double or treble the business?—A. O, yes; vastly more than that.

By Mr. CASSERLY:

Q. Is it true or not that the more business is done the larger the percentage of profits and the smaller the percentage of expenses?—A. Yes, sir.

By Mr. PRATT:

Q. I understood you to express the opinion two or three times over that there is no good reason why the charges for storage and labor should be any higher in a general-order store than in an ordinary bonded warehouse. Am I correct in understanding you in that way?—A. You are entirely correct, sir.

Q. Would there not be this essential difference, that the man who had the general-order business must have larger buildings, or more of them, in order to accommodate all the unclaimed goods that should be sent from time to time to the collector?—A. I don't think there is anything in that suggestion, sir.

Q. Must he not always reserve a certain amount of space for the unclaimed goods that should be sent from the steamers when, perhaps, two of them may be unloading at the same time?—A. No, sir, there is nothing in that idea at all.

Q. Why not?—A. Why, a man receiving goods keeps receiving them right along. He don't stop taking in goods to save a space for a steamer that may come and may not, or for anything that is in expectation.

Q. But has he not to provide space for any contingency, so that he can house, under all circumstances, the unclaimed goods which are sent under general order?—A. If he wants all the business, it is for his interest, of course, to provide room for the storage.

Q. But suppose that he has got all of the business, has he not got to keep a certain amount of space for that contingency?—A. O, no; there is nothing in that at all, sir.

Q. Some gentlemen have sworn that there is a good deal in that.—A. Well, I know, but the idea is a humbug.

Q. Well, that's a very brief answer to my theory. Is there no more labor in selecting out and delivering these unclaimed packages than in delivering the packages of an owner in ordinary bonded warehouses?—A. Not a particle, sir; unless the general-order store should happen to be very much crowded; of course, then there would be some difficulty. Everything else being equal, there would be no more difficulty in getting a package out of a general-order store than there would out of a bonded warehouse.

Q. When you receive at the bonded warehouse an importer's goods, do you generally put them in one place together?—A. No, sir; we put them wherever we have the room to put them.

Q. Do you scatter them upon different floors and different parts of the same floor?—

A. As we have the room. Of course, it is always desirable to get them together if you can. It don't often occur that you can.

Q. Why not, pray?—A. Why, a store may be three-quarters full, and there would be a little room on one floor and a little on another. It's impossible to get the goods and keep them together.

Q. But, as a general rule, do you not put them together when you have the space?—A. If we had the space, and they would all come in at the same time, we were very likely to keep them together; but, as they come scattered along, we put them as we have the space.

Q. When they come from the same cargo—the same vessel?—A. Yes, sir; they may be three, four, or five days coming.

Q. Now, in a general-order store, of course the proprietor cannot know who these goods belong to?—A. No, not positively.

Q. And the consequence would be that they might be scattered upon different floors and upon different parts of the same floor?—A. Yes, sir; very likely.

Q. Now, don't you think there would be some additional trouble in the delivery of these goods?—A. It would occur in the same way in an ordinary warehouse.

Q. I can understand that if that is your principle in an ordinary bonded warehouse, of scattering them around helter-skelter, and not putting them together.—A. It is not in that way. We put goods where we have the place to put them. They are not thrown around helter-skelter; but it would be impossible to keep one man's goods together in a bonded warehouse, or in a general-order store, to any very large extent.

Q. During the year you were interested in this business with Colonel Leet, I understand your charges to have averaged about \$1.20 a package.—A. Yes, sir; for an ordinary sized case of dry-goods.

Q. Do you think that was too high?—A. No.

Q. Do you think it was high enough?—A. I should have been pleased if it had been higher; but still I was satisfied. I couldn't have charged any higher.

Q. If \$1.20 in 1869 and 1870 was not, in your judgment, too high a charge, why do you say that 90 cents a package is sufficient now?—A. Well, I say that I would be willing to do that service now for 90 cents if I could.

Q. Has there been that difference in the price of carting and of labor and in the rent of stores from 1869 and 1870 to 1871 and 1872?—A. There has been no difference at all that I know of, sir.

Q. And yet you say to the committee that \$1.20 a package during the year that you had it, from July 20, 1869, to July 20, 1870, was a reasonable charge.—A. I do say so; yes, sir.

Q. Not too much?—A. Not too much; no, sir.

Q. And yet, there being no difference in the price of labor or of rent, you say now that you could afford to do the same business for 90 cents a package?—A. I say so; yes, sir.

Q. Will you please reconcile, if you can, those two statements?

Mr. BAYARD. It strikes me that the thing is plain. You can scarcely expect a gentleman receiving the money to find fault with its being too much.

By Mr. PRATT:

Q. But during that year I understand you to say that you paid five thousand and a few hundred dollars to Colonel Leet, and you made nothing for yourself.—A. You understand it correctly.

Q. And at \$1.20 a package?—A. Yes, sir.

Q. Now, are you going to figure it out that you could make, at 90 cents a package, \$5,000, or 5,000 cents?—A. It makes a good deal of difference in the volume of business. If I was to take into the warehouse, for which I was paying \$20,000 a year rent, \$20,000 worth of storage a year, it wouldn't pay me anything; but if I take into that same warehouse \$40,000 worth of storage, I might make \$20,000; and then, if I should take in storage that would amount to \$30,000, I should make \$10,000.

Q. What were your rents during this year that you had this business? You had two stores, I believe you said?—A. Yes, sir. For one warehouse we paid between \$14,000 and \$15,000 a year. The other I think was \$6,000.

Q. Labor, I understand you to say, was essentially the same then as now?—A. Yes, sir.

Q. Did any unpleasant feelings spring up between you and Colonel Leet at the expiration of this year?—A. Not the least, sir.

Q. Your relations have continued friendly and kind with him ever since?—A. Entirely so.

Q. You say when Mr. Draper came in as collector he allowed you to charge 60 cents upon the rates established by the Chamber of Commerce?—A. Yes, sir.

Q. What would that average per package?—A. About 50 cents for labor and 50 cents for storage.

Q. They established no rates for cartage at all, I understand; that was left for the

collector?—A. At that time it was done entirely by city ordinance. They got up some cartage arrangement here afterward, under which arrangement the custom-house fixed the rate.

Q. What were the cartage charges during Mr. Draper's administration?—A. At one time the lowest rate was 50 cents for the first distance. If I remember correctly, they got it up to 66 cents a load.

Q. Now, you have said that under Mr. Barney's administration the charges for labor and storage were 50 cents each.—A. No; I have not stated that.

Q. Didn't I understand you to say that was under Mr. Barney's administration?—A. No, sir; you are talking about Mr. Draper now.

Q. O, yes; I beg your pardon. Under his administration I understand you to say the charge for labor and storage per package was 50 cents.—A. It would average about that.

Q. Now, I understand you to say that when Mr. Barney became collector he added, instead of 60 cents upon the rates of the Chamber of Commerce—A. You misunderstand me; Barney was collector first.

Q. Yes. I understood you to say he added about 150 per cent. to the rates established by the Chamber of Commerce.—A. Yes, sir.

Q. Then what, under his administration, were the ordinary charges of labor and storage upon the package?—A. Well, about 75 cents.

Q. Seventy-five cents?—A. Somewhere in that neighborhood.

Q. That would be \$1.50 for the two?—A. Yes, sir.

Q. And add the cartage, how much would that amount to, on an average, per package?—A. Well, it would amount from 25 cents to 66 cents. I think the cartage at that time was about 66 cents alone, if I recollect right.

Q. You say that Mr. Grinnell insisted that you should reduce your charges from \$1.50 to \$1.20?—A. Yes, sir.

Q. During that time that you were interested with Colonel Leet, is that the rate at which he charged \$1.20 a package?—A. About that; yes, sir.

Q. You had before that charged \$1.50?—A. Yes, sir, sometimes, before that.

Q. Was there complaint made against your charges? Did Mr. Grinnell interfere?—A. No. There is always complaint about general-order charges. It don't make any difference what you charge, they will complain.

Q. For how long a time previous to Mr. Grinnell's order had you been in the habit of charging \$1.50?—A. We had only a small quantity of goods prior to that time to charge \$1.50; but there was an interim during Mr. Smythe's administration of the custom-house that we didn't have any general order; except at the extreme latter part of his administration, we had one line of steamers.

Q. Was it during that time that you were charging at the rate of \$1.50?—A. Well, I think we charged about \$1.50.

Q. Did you think it was worth it then?—A. Well, it was worth it in view of what we were getting. We might get three or four cases a week. It didn't make much difference whether it was \$1.50 or \$1.20.

Q. I understood you to say the present rates of bonded warehouses are 25 and 25?—A. Well, that is an average rate for ordinary sized packages.

Q. Are they not all losing money in doing business at that rate?—A. I guess they are. I know I am.

Q. Well, sir, what do you think would be a fair rate, then—a fair profit?—A. O, I think a man could do a living business if the rates were increased. If he could get an average of 30 cents, he wouldn't be bothered with a very large fortune at that rate, but he could make a living.

Q. Going back a moment to the difference we were discussing between general-order stores and bonded warehouses, is there not some allowance to be made for the uncertainty of the tenure of this general-order business? A man, in a word, who has it to-day has no assurance that he will have it to-morrow. Now, has he got to provide against that contingency in making higher charges for the same labor than the bonded warehouses would?—A. Well, I think that is a question that depends a good deal upon circumstances.

Q. Now, as I understand, whoever is designated for that purpose has to provide sufficient room to accommodate all the unclaimed goods?—A. It is for his interest to do so.

Q. It is his duty to do so, isn't it, if his warehouse is not designated?—A. Not necessarily.

Q. Can they be sent to any other at the time?—A. Yes, sir; any warehouse of class 3 is bound to take general-order goods if they are sent there.

Q. But it is understood generally that when particular houses are designated, that they have the business exclusively, is it not?—A. That is the rule, sir.

Q. Now, in view of that fact, that the business may be taken away, or rather that other bonded warehouses may at any time be designated by the collector, my question is whether the proprietor, for the time being, of the general-order business ought not

to make greater charges on account of the greater expense he is put to in providing ample room for the unclaimed goods?—A. A man who has a warehouse—I have a warehouse, for instance—and if I have general-order goods sent to my store, and it is taken away, I can continue my warehouse business as I am doing now.

Q. I understand that very well.—A. I don't know that I should be justified in charging a man any excessive rates for goods sent to my store under general order.

Q. Suppose, however, the collector should designate to-morrow your bonded warehouse as a general-order store for all the business on the North River, would you find it necessary to provide more room than you have got now?—A. I might, if I wanted to have all the business, and might not. I have done all the business that came on the North River in those stores.

Q. In the stores that you have now?—A. That I have had. I never had them all in the stores that I occupy now.

Q. Would the stores that you occupy now be ample for the purpose, if they should be designated to-morrow for general-order stores?—A. In the present condition of my warehouses, I couldn't accommodate the general-order goods, because they are very nearly filled with warehouse goods.

Q. Then you would have to provide more room, would you not?—A. If I had all the business, yes, sir.

Q. Now, in view of the uncertainty of your tenure of that business and in view of the fact that the collector might at any time take it away, in whole or in part, from you, would you not, in hiring other stores, feel bound to charge more for storage and labor in your general-order store than you would in your bonded warehouses?—A. If any such exigency was likely to occur, I should say so, to some extent.

Q. Looking to the convenience of the foreign steamers landing upon the North River, could any stores be designated more convenient for the importing business than the two that were occupied by Leet & Stocking?—A. They are very conveniently located for certain lines of steamers. For others they are very inconveniently located.

By Mr. BAYARD:

Q. How are they in relation to the public stores?

Mr. PRATT. He has stated already the distance that they are from the public stores. I have no objection to his stating it over again.

Q. [To witness.] How are they located with reference to the German lines?—A. The German lines are in Hoboken.

Q. I understand that.—A. I think they should be farther down town than either of Leet & Stocking's stores.

Q. Your objection is that they are too far up town?—A. Yes, sir. Not too far for several of the important lines of steamers, however, for the French line, the Inman line, the National line, and Williams & Guion are very conveniently located, and they do the bulk of the carrying trade that comes on the North River; but there are other lines lower down town, and I think it is wrong to send them away up town where they are sent now.

Q. If I get your idea correctly, you think they should have an additional store-house lower down town?—A. Yes, sir. It might not be very profitable, but I think it should be there.

Q. Did I understand you to say that men who have this general-order business could store goods at a less rate than bonded-warehouse men?—A. I think they could afford to take goods as cheap or cheaper than bonded warehouses, and make money.

Q. Will you please explain why you have the conscience to charge, if you will allow the expression, \$1.20 a package for general-order goods when the business of storing and labor, &c., was less than in a bonded warehouse, where you say that 30 and 30 cents would be sufficient?—A. This question of the volume of business comes right in here again. A man that is doing a small business in the general-order business couldn't take goods for less, perhaps, than \$1.20, but if he was doing a rushing business he might do it.

Q. But you were doing a bonded-warehouse business at the same time, were you not?—A. Yes, sir.

Q. Then, if I understand you aright, you made a distinction in your charges upon a package of goods housed under the same roof; that is to say, what was bonded was charged by you at the same rate of 90 cents a package and what came as unclaimed goods was charged at the rate of \$1.20, there being the same labor in both cases?—A. What comes as bonded goods is a matter of contract between the merchant and the warehouseman. It may be that the rate would be 25, 30, or 40 cents, according to the circumstances—according to the size, quality, and weight of the goods. In regard to unclaimed goods, there is no contract.

Q. I know there is no express contract, but then, as a just man, would you think of charging the stranger, whose goods are thrown as a sort of a waif into your store, more than the merchant, whom you knew, for the same labor?—A. In regard to that, sir, I should charge the stranger for his weight all that the law would allow.

Q. But I understand you to say that there is no law controlling this matter?—A. Yes, sir; there is.

Q. Is there any law controlling what you charge for labor?—A. Yes, sir.

Q. What is that law?—A. It is not a statute-law, but it is a law of custom—the rate established by the Chamber of Commerce—which prescribed what should be the charge for storage and labor.

Q. But I understand you to say that nobody pretends to live up to those rates; that one collector advances upon those rates 60 per cent. and another 150 per cent.?—A. Yes, sir; and peculiar—

Q. Then there is no fixed standard for storage and labor?—A. These were peculiar times when those rates were allowed; it was during the war when gold was 250, and it would be an act of cruelty to charge a person rates that were current when gold was simply par.

Q. I return to the question. Why, when you store a man's goods in a bonded warehouse, whom you know, you charge him more than 90 cents a package for cartage, and for storage and for labor, and make a fair living profit out of that, why you should charge the stranger for the same services \$1.20?—A. You know there is a difference between a wholesale store and a retail store, I suppose? Well, it is just about that same difference in the warehouse. A. T. Stewart & Co. might have five hundred cases in my warehouse that I could afford to take for 30 cents a month. Mr. Jones might send one case there, that I wouldn't feel disposed to take at that rate, and it might be the same class.

Q. Did you ever lose anything upon your account for storage, cartage, and labor by the sale?—A. We might lose on some, but we would try to make it up on others, though.

Q. How could you make it up on others, pray?—A. Well, a package would go down there, for instance, that would not bring the storage, labor, and cartage; we wouldn't get anything on that; we might send another down that would bring a large price, and we would get a pretty good rate on that one.

Q. I know; but you would get nothing more than your legitimate storage?—A. They generally take the matter of loss in one package in making up the other.

Q. Was that the principle upon which you conducted the business?—A. Well, they had liberal ideas about these things.

Q. But, then, one man's package will pay for the loss upon another man's package?—A. To some extent.

Q. Was that the principle?—A. These goods were forfeited to the Government.

Q. They were placed upon sale, and they producing a sum beyond what was due the Government and the store-keeper, didn't it belong to the owner when he came forward to make a claim?—A. Yes, sir.

Q. Wasn't it deposited in the Treasury to the credit of the strangers' fund?—A. No, sir.

Q. Do you mean to be understood that if the man didn't come forward within a year and claim his goods, by reason of which they were sold, and sold for double or three times the amount of the charge of the Government and the store-keeper upon them, that he was not entitled to that surplus?—A. Under a certain condition of things, which is the usual condition you speak of, these goods are forfeited to the Government if they are not claimed within a certain period, as I understand the law. I may be wrong about it. Then my view of the case in regard to the storage is simply this: that the Government owe, morally, storage on all these goods. If one case don't bring enough to pay out of that particular one the storage on it, I can see no impropriety, injustice, or unfairness in a case that does bring enough to pay the storage on that in another case to make it up, because it is really due from the Government.

Q. In the other case, if one package belongs to A and the other to B, and the package belonging to A sells for nothing, or for a few cents, then the package belonging to B should pay you for the loss upon A's package?—A. No, sir; it is not so, because they are forfeited to the Government, as I contend. They all belong to A.

By Mr. BAYARD:

Q. You can't say very well they belong to A when there is no owner belonging to them?

By Mr. PRATT:

Q. I am supposing that the owner will appear and make claim for the money. But, in point of fact, is not your lien a specific one upon each package? That is to say, is not each package to bring a certain amount to you for your labor and charge?—A. Yes, sir; I suppose that is properly so.

By Mr. CASSERLY:

Q. Is it not your understanding that warehousemen, where you have twenty packages, for instance, belonging to the same person, you can hold them all for the charges of one?—A. Yes, sir.

Q. If you wish?—A. Yes, sir; if they are the same shipment—you can hold one package for the storage of all of them.

Q. Or *vice versa*?—A. Or *vice versa*; yes, sir.

By Mr. BAYARD:

Q. These goods are all goods belonging to the Government?—A. These goods, when they are ordered to sale, become the property of the Government.

Mr. CASSERLY. In fact I don't very well see how, upon the Government theory of this matter, goods being unclaimed, there can be said to be any such thing as private ownership at all.

Mr. PRATT. Well, without examining the law, I suppose it must be of necessity, and every just government would certainly make it a rule that if the owner did appear after the sale of these goods, and they produced a surplus, that he should be allowed within a reasonable time to make claim upon the Treasury for the surplus.

WITNESS. I think it is so in regard to goods that have been bonded.

By Mr. BAYARD:

Q. But when goods have been bonded they have been claimed, of course?—A. Certainly, sir; if they are unclaimed they are virtually abandoned to the Government.

By the CHAIRMAN:

Q. Why is it that some packages of unclaimed goods do not sell for enough to pay the charges?—A. Because they are not worth it.

Q. When do you ascertain that they are worthless?—A. When they come to be sold or to be appraised.

By Mr. PRATT:

Q. They are opened at that time, are they?—A. Yes, sir.

By the CHAIRMAN:

Q. Are they not opened before?—A. No sir; they should not be.

By Mr. CASSERLY:

Q. You are speaking now of the time of appraisal?—A. When they are sent to be sold.

By the CHAIRMAN:

Q. Are not goods remaining for some length of time in the general-order store unclaimed sometimes removed, or exchanged, or emptied, and something put in?—A. Well, I never have known of any such case.

Q. You have never known such an instance?—A. Never.

Q. Have you never known of an instance in which boxes unclaimed have been emptied of their contents?—A. No, sir.

Q. Have you no reason to believe that when they have been examined for the purpose of appraisal and found to be worthless, the articles which they contained when first put into the store were removed—nothing of that kind?—A. Nothing of that kind.

Q. Can't that be done?—A. O, yes; I suppose so.

Q. How can you account for the fact that merchandise is brought from abroad and remains a long time in your store is perfectly valueless; a box of straw, for instance?—

A. I can explain. Suppose a man sends a case—and this makes up a very large item in this class of goods—sends over a case of plants. A very great many do come. They arrive here; and the man sees them, and sees that they are worthless—dead. He pays no attention to them.

Q. Do they ever come in a box that is perfectly closed and tight?—A. No, sir.

Q. It would not apply, then, in those cases?—A. No, sir.

Q. How can you account for it that a box comes properly closed and in good order, and that it should remain at your store twelve months, and it would then be found that it contained merely straw?—A. How would I account for it?

Q. Yes.—A. Why, I should suppose that they had been stolen.

Q. Where would it have been likely to have been stolen?—A. There are various places where it might have been stolen.

Q. Where?—A. At the place where the goods were alleged to have been put upon the steamer they came on, the dock they were landed on, the carman that carted them, the warehouseman that stored them, the man that took them down to the sales-room, the man who had charge of the sales-room.

Q. They might have been stolen in the general-order store?—A. Yes; they might have been.

Q. Now, don't you know of any instances in which such changes have been made?—A. No, sir.

Q. Or in which thefts have been committed?—A. No, sir.

Q. Don't you know of any thefts in the general-order stores?—A. No, sir; except by burglars.

Q. You have had a great deal of experience?—A. Yes, sir.

Q. Now, have you never known of a box being opened, and a bottle of brandy or some other article taken out—a small part of the contents?—A. Well, I don't know but I have heard of cases where it has been charged. I don't know that it has been done.

Q. You don't know that it has been done?—A. No, sir. They are less liable to be stolen in the general-order store than any other place from the time they leave the ship till they reach their place of destination.

Q. How so?—A. Because there are officers there to protect and guard this property. It is to the interest of the warehousemen.

Q. Are not the officers usually at the doors, or near them, where the goods are taken in and passed out?—A. Yes, sir.

Q. Are there not other places besides the door where an entrance might be had and goods removed?—A. Where the entrance might be had, but where it should not be.

By Mr. STEWART:

Q. You said there were always complaints about general order.—A. About general-order charges.

Q. That has been ever since you were connected with it?—A. Yes, sir.

Q. How can that be remedied?—A. I don't know any way except to divide up general-order business very generally among warehouses.

Q. Wouldn't there be complaints then?—A. There would be competition then, to some extent.

Q. And you don't think the system when you had it was a good system?—A. No, sir.

Q. And they allowed you to make more money out of it than you ought to have made?—A. Well, I didn't have the facilities they have now for making money. It was on a limited scale.

Q. Have there been times when the general-order business was conducted so that there was a uniformity of charges?—A. As much so as it was possible to attain.

Q. You say your plan would be, then, to divide it up among all the warehouses?—A. Not all. I should make more general-order warehouses.

Q. How would it do to let the steamships have their own general-order warehouses?—A. I should think it would be a very bad one.

Q. Why would it be a bad one?—A. Well, if there was any attempt to evade the laws—smuggling, or anything of that kind carried on in the steamers—it would be an additional facility for carrying out such an arrangement.

Q. What chance would they have any more than another warehouse for evading the law?—A. Because another warehouse might not have the interest that these men would have.

Q. What interest would they have that another would not?—A. Suppose the smuggling to be done on a steamer, and the steamship company had a warehouse of their own, they would simply be augmenting their facilities for smuggling, wouldn't they?

Q. The goods would have to come on the dock, if they had a warehouse of their own, and be marked "general order," wouldn't they?—A. They would have to go under general order, sir. It would only be in that view of the case that I should say it would be objectionable to allow the steamers to have their own warehouses.

Q. Otherwise it would be more convenient for the merchants, would it not?—A. It would not be, whether the steamship company owned the warehouse or the individual.

By Mr. BAYARD:

Q. The question was of the ownership as much as having convenient points of landing.—A. The law—not the law, but the spirit of the law—is that all warehouses, having general-order goods, should be conveniently located to the steamer where the goods are discharged.

By Mr. STEWART:

Q. If the steamers had them themselves, they could make the most convenient arrangements probably?—A. Provided they had their warehouses where the steamers discharged their goods.

Q. Then the only objection you see to their having them is the additional facility it would give to smuggling?—A. That is one serious one. There is another which—

Q. Can you explain, now, if the goods come on the dock, there is a record made of them when they are sent to general order, is there not?—A. Yes, sir.

Q. Will you explain how the facilities for smuggling could be increased particularly?—A. If you sent them to my store, and I was not engaged in the operation of smuggling, your opportunity would cease as soon as the goods reached my store; but

if you were engaged in smuggling, and you had the store, it would be simply giving you an additional opportunity to carry out your programme, whatever that might be; giving you time, opportunity, and place.

Q. Suppose you had the Government officers at the store of the steamer as you have them at your store, would they not have the same opportunity there to guard the goods?—A. Yes, sir.

Q. And prevent smuggling?—A. Yes, sir. Custom-house officers, however, are—you can reach a custom-house officer, as a general thing. There is no trouble about it, I judge, from what I have heard.

Q. Then you think that the Government of the United States would have no means of preventing smuggling if they allowed these steamship companies to have warehouses?—A. No; I don't go to that extent.

Q. They would have less?—A. They would have less facilities for doing that sort of thing if they did not have the warehouses.

Q. Then you were saying something else.—A. Yes, sir. All the steamer interests are in the hands of foreigners; and I, for one, should be very much averse to allowing them to have these extraordinary privileges in this country. They are not allowed to Americans in any other country, that I ever heard of.

Q. What difference does that make, if it facilitates commerce and helps Americans in that way?—A. It would not facilitate commerce.

Q. It would not?—A. No, sir. Taking into consideration the manner in which business is done now, I think it would aid commerce if more enlarged facilities for general-order business were granted; perhaps a little lower rate of charges.

Q. Did you ever hear any complaint of smuggling while the general-order business was over on the other side—on the Jersey side?—A. I have heard of it; but I never heard of it in any way that would make me believe that it really occurred.

Q. How is it about their sending their goods to the general order now? Do they try to avoid it more than they used to?—A. No; I guess not.

Q. About the same proportion of the goods that are brought here now go to the general order that used to?—A. I think so.

Q. They have always tried to avoid it if they could, have they?—A. Yes, sir; always does it. Attempted to do it, too, by bribing custom-house officers.

Q. By bribing custom-house officers?—A. Yes, sir.

Q. How are custom-house officers bribed to keep them back?—A. Poke a \$10 bill at them and they will do almost everything.

Q. Has that always been the case since you have been in the business?—A. Yes, sir.

Q. They used to get the goods away from you sometimes that way?—A. Yes, sir.

Q. When did they commence?—A. When the system was inaugurated.

Q. I don't know when it was inaugurated.—A. I guess it must have commenced the first day.

Q. And it has continued ever since?—A. I think so.

By Mr. PRATT:

Q. Did you ever practice on it when you had the general-order business?—A. No, sir. I was on the opposite side, trying to prevent it.

By Mr. STEWART:

Q. Wouldn't money on the opposite side bring the goods as well?—A. I guess it would, if you could afford to pay it.

Q. Then you didn't practice that thing?—A. Never.

Q. You got goods enough without?—A. Yes, sir; but I didn't believe in paying those men for doing their duty. There is a very stringent law in regard to the discharging of a vessel and the disposing of its cargo. I think if the collector understood it thoroughly they would be a little more careful about the manner in which business is done.

Q. If the collector understood the law thoroughly?—A. If he appreciated the importance of having it carried out strictly.

Q. In what respect?—A. The law requires whenever a package of goods is discharged from a vessel that some disposition of it should be made immediately. If the duties have been paid, it is to be delivered to the merchants. If it is ordered to the appraiser's stores, it is to be sent for. If it is ordered to bonded warehouse, it is sent there, and if it is unclaimed it is to be immediately sent to the general-order store. Now I have known goods to be piled up on the docks, and remain there a week, and the collector is personally responsible for every package of those goods, if anything should happen to them, and they are, of course, in peril all the while.

Q. Then you think it is your duty to clear them out as fast as they are unloaded?—A. It is their duty to do it.

Q. Why were they retained on the dock in those cases?—A. O, generally for a stake, I suppose.

By Mr. CASSERLY :

Q. For what?—A. Well, to get a little money.

By Mr. PRATT :

Q. To prevent them from going under general order?—A. Yes, sir.

By Mr. STEWART :

Q. When they unload all day—take them out of the ship all day until sundown, and continue to unload, is it possible to get them away?—A. They should not discharge any more than they can dispose of.

Q. Wouldn't that occasion great inconvenience to the ship?—A. It might; some inconvenience.

Q. It would take them a good deal longer to unload?—A. Yes, sir; a little longer.

Q. In that way a ship couldn't turn around in forty-eight hours, or three days, and be on her way back?—A. No. And it should not be allowed either.

Q. Then you would enforce the law requiring them to unload nothing until the forty-eight hours should lapse?—A. I think it is due to the merchants, and they should remain forty-eight hours, and then, when a case of goods was discharged, I would have it disposed of as the law required.

Q. Do you think the law should be amended, or this law should be enforced now?—A. The law should be enforced.

Q. Several gentlemen who have testified say that the absolute enforcement of this law, for instance, as to unloading, if they were not to be allowed to unload more than could be taken off the dock that night they would be greatly impeded in their business, and ships would be detained here at great inconvenience.—A. Yes, sir; they might not be able to make so much money with their steamers; but I don't know as that is any good reason for violating the law. I think the law is right. It is simply the execution of it that is faulty.

Q. You think it should be strictly enforced?—A. Yes, sir.

Q. What do you think about unloading at night?—A. I don't think it should be allowed under any circumstances.

Q. What danger is there to goods when they are on the wharf in large quantities overnight?—A. In the first place, it is a flagrant violation of law in leaving them there.

Q. Yes; but what danger are they exposed to?—A. Thieves might go and steal them.

Q. Are not the wharves shut up?—A. O, yes; but you can't stow away goods from a thief, if he wants them.

By Mr. BAYARD :

Q. Your view of all this, I observe, is entirely that taken by a warehouseman?—A. Yes, sir.

Q. That is the view you are looking at the whole question from?—A. Yes, sir.

By Mr. PRATT :

Q. When you speak of goods being piled up on the dock and remaining there several days, and weeks sometimes, is that in consequence of a collusion between the importer and the custom-house officers, by which they are prevented from going under general order?—A. It may arise from a variety of causes.

Q. Will you explain the causes that would produce that state of things?—A. I have known of goods being left on the dock because the wharf was so blocked up that they couldn't be conveniently carted off.

Q. Then there is nobody to blame?—A. Yes, sir. They shouldn't allow the steamer to discharge the cargo.

Q. Then the inspector is to blame for allowing the inspector to discharge too fast?—A. Yes, sir. I have known goods to be left on the dock—simply, when I say I know it, I know it by common repute—to be left on the dock for a week at a time, because the inspector was paid for it.

Q. Paid by whom?—A. Paid by the importer.

Q. In order to prevent them from going under general order?—A. Yes, sir.

Q. Go on, sir; what other causes?—A. Well, storms. There might be a severe storm, and it would be impracticable to send goods off.

Q. Then they would be detained at the instance or request of the owner, would they not?—A. No; of the steamer people.

Q. What have they to do with it after the goods have been unloaded?—A. They don't; but the steamer may be unloading.

Q. But you were speaking of goods piled up on the dock, I understand you.—A. Well, yes.

Q. After they have passed the ship's tackle, gone over the ship's side, and passed the inspector, the duty of the owner of the ship is at an end, is it not?—A. Yes, sir.

Q. And his responsibility?—A. Yes, sir; I think it is.

Q. Is there not always a sufficient number of district carmen there to cart off the goods the very moment they have passed inspection by the custom-house officer at the dock?—A. There should be, sir.

Q. And after he has designated where they should go, and whether to public store, general order, or bonded warehouse?—A. There should be, but I don't know whether there is or not, as a rule.

Q. I wish to ask you, in this connection, a thing not quite germane to what you have been testifying about. Would the inspector of the custom-house office on the dock, from the cursory examination which they give of the packages as they are wheeled past the window, and when they see the mark and the number, have a favorable opportunity of determining whether the package was in good or in bad order?—A. If there was any danger apparent, of course they could discover it. They only see one side of the case generally, and probably one end of it.

Q. I was induced to ask you that question from the testimony of a witness we had before us not long since.—A. They don't make a critical examination, as far as I know.

Q. So it is possible that a package which has passed over the ship's side really in bad condition may pass inspection at the custom-house office there without its being known?—A. Yes, sir; it is not his duty either, sir, as I understand, to know it.

Q. Is it not the duty of the inspectors, when the packages are trucked, to pass the office windows at which they sit, to give a direction wherever a package shall be sent?—A. Yes, sir.

Q. Is that immediately marked upon the package, so that the carman can know that this package goes to a public store, that to a general-order store, and this to a bonded warehouse?—A. No; I don't usually mark them. I didn't when I was observing those things. For instance, they put the merchant's goods in one place, public-store goods in another, and general order in another.

Q. They are separated?—A. Yes, sir.

By the CHAIRMAN:

Q. I suppose goods remain in general-order store, unclaimed, for a certain length of time; twelve months, for instance—what disposition is then made of them?—A. The Government takes possession of them, and sells the goods.

Q. What officer of the Government?—A. They are sent to a room provided for that purpose, by order of the collector of the port.

Q. How does the collector issue that order—to whom?—A. To the store-keeper having charge of the warehouse.

Q. How does he know of the packages that have been in the store for that length of time?—A. The books indicate it.

Q. Whose books?—A. The books kept at the custom-house and at the warehouse, by the custom-house officers.

Q. Do the books kept at the custom-house contain record of all the goods that go to the general-order store?—A. Yes, sir.

By Mr. PRATT:

Q. When these unclaimed goods are sold at the expiration of a year, are they sold under a catalogue? Is there a catalogue of the different packages printed and circulated through the city?—A. Yes, sir.

Q. Are these packages opened before the sale, so as to be subject to the inspection of those who contemplate purchasing?—A. Yes, sir.

Q. May every man, then, who attends one of those sales know precisely what is in every package?—A. Goods are specified on the catalogue, appraised by the appraiser, and opened for examination.

Q. So, if a man cheats himself, he has no one to blame but himself?—A. No one to blame but himself and the auctioneer.

By Mr. BAYARD:

Q. Are you speaking of those catalogues of your own knowledge; about their being circulated, and being descriptive of the contents of the different packages?—A. They will say, "1 barrel of potatoes."

Q. Are you of opinion that the catalogues coming to the public give a description of the contents of the packages?—A. Not a very specific description. It might read, "1 case of glass-ware," for instance. It might contain a great variety of articles.

Q. As you have been examined on that subject, I would like to ask you if you ever attended a sale?—A. I never attended but one.

Q. Did you ever purchase anything at those sales?—A. No, sir.

Q. How long ago did you attend the sale?—A. I guess it is ten years ago.

Q. You haven't attended them lately?—A. No.

Q. Then you have no personal knowledge of the opportunity given to the purchaser

to examine?—A. O, yes; I have been to the sale-room frequently, and I have sent goods there, and have been there to see about the charges.

Q. Did the sales that you have attended take place in the presence of the goods?—

A. No. I think the sale I attended at that time was; and there was a time when they didn't open the packages at all.

By Mr. CASSERLY:

Q. Didn't open them even to appraise them?—A. No, sir; on sight and on seal.

By Mr. BAYARD:

Q. That has been changed now. I believe we have a law on that subject, but I don't care to examine you in regard to a matter that you have not personal knowledge of.—A. I have only a general theoretical knowledge of what takes place in these rooms.

Q. How long since you examined one of those catalogues?—A. A couple of weeks ago.

Q. Just look at that one, [handing catalogue to witness,] and let me ask you a few questions about it. That catalogue is one of those sales that took place on the 20th of December, 1871?—A. Yes, sir.

Q. Look, for instance, at lot No. 6, on that catalogue.—A. A case of snuff.

Q. Now, what does that signify; does it tell you the quantity of snuff?—A. No; but it signifies that the appraisers appointed to put the valuation upon it say that it is worth \$10.

Q. Suppose they say it is worth \$10; that would depend a great deal on the quantity of snuff in the case?—A. It would.

Q. What opportunity has the purchaser to know the quantity of snuff in that case; its weight, or its character?—A. Unless it is marked on the package, I don't see how he can tell.

By the CHAIRMAN:

Q. I wish to ask whether that case is not opened at a particular store prior to the sale, and advertised, and whether every party has not an opportunity to go there and examine it?—A. Yes, sir; the package is opened, and you can go and see it.

By Mr. BAYARD:

Q. You can go and look at it?—A. You can go and look at it. It is piled up with hundreds of others.

Q. Do you know how he is to know the weight and character of the contents of the package?—A. No; I don't know of any way that he can get at it accurately.

Q. Then he would have to be more than "up to snuff," wouldn't he, if he bought that one?—A. I should say so.

Q. Well, let me take another instance here; look at lot No. 25. You say he can walk into a room and see the things stored together?—A. They are piled up.

Q. Do you know of any other inspection allowed than that?—A. No, sir; I don't think there is any.

Q. Look at lot No. 25?—A. That is a bale of pepper.

Q. Cayenne pepper?—A. Yes, sir.

Q. Is there anything to signify to you how many pounds of pepper there are, or its quality or condition?—A. No, sir.

Q. Lot 29, below, what is that?—A. Seventy cases of olive-oil.

Q. Does that signify to you how many bottles were in a case, or the size of the bottles?—A. I judge of the size of the bottles, but not of the number of bottles in the case.

Q. You could tell nothing of the contents of those cases?

Q. Would you know whether you were buying one number or another?—A. No, sir.

Q. Then, do you think without going further into this matter of description that that catalogue is anything more than an illusion or delusion in the public mind, in reference to the articles there to be bought?—A. It is an illusion or delusion that is removed to some extent by the valuation that is placed upon them by the appraiser.

By Mr. PRATT:

Q. Is that valuation put upon them after they have been opened and appraised—after the packages have been opened?—A. Yes, sir; it is the valuation that the appraisers put upon them when the packages were opened. A great many things may happen to the packages after he has appraised them, however.

By Mr. BAYARD:

Q. Look at page 9, No. 186; what is that?—A. Fifty cases of guns.

Q. Without any mark?—A. No mark.

Q. Valued at \$5,000?—A. Yes, sir.

Q. Does it say how many guns are in that case, or what description the guns are?—A. No, sir.

Q. Are you not aware that guns will run, I believe, from \$10 apiece to \$150?—A. Yes, sir; and cases from 12 guns to 150 guns.

Q. Is there anything in that to signify to the purchaser upon the value of \$5,000 what he is buying, the character of his goods?—A. No, sir; he may see one of the guns.

Q. What say?—A. He may see a few of the guns.

Q. How may he do that?—A. By going there and looking at them.

Q. How can he do that?—A. I presume in this case there are one or two cases opened for inspection.

Q. Do you conceive that from probability, or do you speak with a knowledge on the subject?—A. I have no knowledge on the subject.

Q. The number of guns are not given at all?—A. No, sir.

Q. Is there anything in that description that you, as a merchant, would undertake to bid upon?—A. No, sir; I wouldn't buy a penny's worth.

Q. I will ask you whether you consider from such a catalogue as this any knowledge is given to the public of the articles to be sold?—A. Very little knowledge.

Q. You made another remark in reply to Senator Pratt, that although the appraiser, or whoever performed this duty, opened those goods to see what was in them, yet supposing he did open the goods to appraise them, a great deal might happen between that and the time of sale.—A. Yes, sir.

Q. What do you mean?—A. That goods might be taken out.

Q. Did you speak of it as a probable occurrence?—A. Yes.

Q. Have you not known that it very frequently occurs?—A. It is so reported.

Q. What protection is there at all to the purchaser who depends upon a catalogue of this kind, in which neither weight nor quantity, quality, or condition is mentioned?—A. I think it is buying a pig in a poke.

By Mr. PRATT:

Q. I wish to inquire of you how long before the sale these packages are opened by the appraiser and appraised.—A. It varies, I should presume. I don't profess to speak.

Q. A very short time previous to the sale?—A. A week to a longer time.

Q. From that time forth, after the publication of the catalogue, at all events, are all of these packages opened for inspection to the public in a room by themselves, or rooms by themselves?—A. Yes.

Q. Custom-house officers are there in charge of them, I suppose.—A. Yes.

Q. Take the case of snuff that you first spoke of; suppose I contemplated making a purchase of that case of snuff, could I, by going there and making application, have the opportunity or means of informing myself about how much snuff there was, and the quality, so as to test the correctness of the appraisement?—A. You would have limited opportunities. For instance, if you went there you would find ten or fifteen packages piled one on top of the other, and a hole would be cut in one, and you would see what was in that package; or if it was a large package, it would be standing by itself. You could not take the goods out and count them.

Q. Are they exposed there for a week previous to the sale for the very purpose of enabling persons contemplating purchasing to inform themselves whether it will be for their interest to bid or not?—A. They are there for that ostensible purpose.

By Mr. BAYARD:

Q. Do you call that an exposure for sale?—A. To a very limited extent. The fifty cases of guns that you spoke of, as I said before, there might be two cases of samples, those two cases might be entirely different from the other forty-eight. I have heard of just such a case as that in regard to guns during the war. I don't know anything about it.

Q. What was that?—A. A large lot of guns that were sold by sample package, and the samples were pretty poor samples.

Q. As unclaimed goods?—A. Yes.

Q. What did they turn out to be?—A. I don't know what they turned out to be; they were bought and shipped away from here.

Q. You mean in that case there was a sample exposed inferior to the rest of the goods?—A. Yes.

Q. So as to let some one buy the packages cheap?—A. Yes.

By Mr. PRATT:

Q. If there was not an obstruction after appraisement, the presumption would be that they were fairly valued by the appraiser?—A. That would be the presumption.

Q. And during that time intervening between the appraisement and sale, they are constantly, I understand you to say, under the care of custom-house officers?—A. Yes; but still they are constantly exposed.

Q. Are they exposed any more than they would be in the bonded warehouse or public store?—A. Yes.

Q. With this difference—that the public has access to the rooms?—A. The rooms are opened and exposed, and the people are in there and pull them around.

Q. I suppose there is a competent number of custom-house officials constantly watching these packages, isn't there?—A. There is supposed to be; yes.

By Mr. CASSERLY:

Q. I will get you to look at the memorandum drawn by Mr. Leet. I observe in the first two lines of it the language, "F. M. Bixby guarantees to the party controlling the general-order business on the North River"—do you observe the language there?—A. Yes.

Q. In reply to Senator Pratt, he asked you whether that referred to Mr. Leet, and to no one else, you answered "yes;" that was correct?—A. I understand it; yes.

Q. Did you mean to be understood by that as saying that no other person than Colonel Leet had an interest in his share of the business?—A. I don't know who is interested.

Q. Did you mean by that to be understood that no other person than Colonel Leet exerted the influence which controlled, or was to continue to control, that business?—A. I mean to say that Colonel Leet was the only party I had to deal with. I don't know who was interested with him.

Q. Have you read the evidence of Colonel Leet as to the profits and expenses of the general-order business, as mentioned by himself and Mr. Stocking, at both warehouses?—A. Yes, sir; I don't recollect the figures exactly. I read it.

Q. Did you form a judgment as to the figures which you saw, both as regards profits and as regards expenses?—A. I did.

Q. What was your judgment as to the statement of the profits, and what was your judgment as to the statement of expenses?—A. I think the profits are stated very low; I think that the expenses are stated very high; I don't see how they can amount to so much. As I said before, I don't recollect what the figures were. I made an estimate in my own mind.

Q. According to my recollection, to save time in hunting it up, the total receipts were stated at about \$202,000, of which the expenses were about \$144,000, including the cartage, leaving a profit of about \$58,000 for the whole period down to the 31st day of December, 1871. Suppose that to be a correct statement, and I think it is, what do you say to that?—A. The expenses, independent of the cartage, was put at ninety-four or ninety-six thousand dollars, if I recollect right. I don't see how that could have been so much.

Q. You were questioned at some length, by Senator Pratt, as to the rate of wages, and whether certain laborers in Government employ were not paid at the rate of 40 cents an hour. Has that anything to do with the rate of wages paid to the regular laborers in general-order warehouses?—A. Nothing whatever.

Q. I understand you to say that they are generally paid so much a week?—A. Yes; the regular men.

Q. Do you know what the weekly wages of such laborers are?—A. I know what I pay.

Q. What do you pay?—A. Twelve dollars a week, except the foreman; I pay him more.

Q. You stated, if I understand you correctly, that while you made no money in the business, while Mr. Leet had an interest in it, at \$1.20 per package on the average, or ordinary-size package rather, yet that you would be perfectly willing to do the whole general-order business of the North River, as Leet & Stocking have it, at the rate of 90 cents?—A. Yes, sir.

Q. And that you would expect to make a fair profit?—A. Yes.

Q. Now, let me ask you if the distinction which you draw does not arise from the fact that you did a small business at \$1.20, and made no money, but that if you had all the business which Leet & Stocking have now in general order, it would amount to so much more that you could afford to do it and make money at 90 cents?—A. That is it exactly.

Q. That is a correct statement of the whole subject?—A. Yes, sir.

By Mr. PRATT:

Q. Do I understand you to say that you were willing to oppose your judgment against the sworn statement of the proprietors of this general-order business, as to the actual profits they have realized?—A. You don't understand me to do that; no, sir.

Q. Would you oppose your own estimate against their sworn statement as to the actual amount of expenditures?—A. Not as to what they had expended; I should presume that they had expended more than was unnecessary under the circumstances.

Q. Had you any knowledge on that subject?—A. Only general knowledge.

Q. I understand you were not about their warehouses?—A. Not at all; I never was in them.

Q. Your idea would be, then, that if this is made up mainly of rent and payment for labor, that they paid their hands too much, and paid too high rents?—A. That is it; or spent their money foolishly in some other way.

Q. Do you know anything about what number of hands they generally employ about their store?—A. I don't know what they employ; no, sir.

Q. Do you know, since you never had the general-order business for the entire North River yourself, how much labor would be required to manage all the general-order goods?—A. I know about how much can be done in the store.

Q. A store where you don't know the capacities of the building?—A. I have got a general idea of the building.

Q. Did I understand you to say that you knew anything about this upper store on Leroy and West streets?—A. I have never been inside of it; I have seen it.

Q. If you don't know its capacity, the number of rooms, and the number of packages it would hold, how should you be able to estimate the amount of labor necessary to manage the packages?—A. I know about what business can be done in any store; I don't care what store it is. I had the contract at one time—was interested in it, in which I performed all the labor on the appraiser's store for three years. I know that the Government paid \$123,000 more than we paid for labor during the year. It is merely a question of economy in labor; that is my idea of it. If these men have expended the amount they say they have, and I presume it is true, for they would not say it if it was not true, they have not been economical in their business, according to my best understanding of it.

Q. In that business would they have occasion to employ frequently men by the hour?—A. Yes.

Q. And where men are thus employed is 40 cents an hour an unreasonable price?—A. It is an unreasonable price, but it is not an unusual price.

Q. That is really paid by the Government, is it not, through the weighers?—A. I don't know what the weighers pay.

By Mr. CASSERLY:

Q. You said that 40 cents an hour was an unreasonable price?—A. It would be unreasonable if it was hour after hour. I don't mean to say that it is unreasonable for a man to go and work for an hour to pay 40 cents for it.

Q. Is it or is it not possible to get extra men at much less than 40 cents an hour?—A. Yes; I don't pay 40 cents an hour.

Q. And is it not your idea that Colonel Leet and Mr. Stocking would insist on paying as much as the Government when they could get men for 25 cents an hour?—A. It don't appear to me that they would; still they are strangers here in New York, and I don't know what their ideas may be.

Q. You have been how many years now a warehouseman in this city?—A. I think I commenced business in 1856.

Q. Say fifteen years ago?—A. About sixteen years ago, I think.

Q. And a part of that time you had a share of the general-order business?—A. A large part of the time I had.

Q. Do you consider yourself capable of forming a general judgment as to the character of the general-order business at this port, say on the North River?—A. I think I am; yes.

Q. And when you see figures presented or figures given, as to the cost of managing the general-order store of Leet & Stocking, are you capable of forming a judgment as to whether those figures are too high or too low?—A. I think so; yes.

Mr. CASSERLY. I think, Brother Pratt, that it was stated either by Colonel Leet or Mr. Stocking, that the amount given for cartage was merely estimated.

Mr. PRATT. No, sir; perhaps they may have made that statement. I remember they made this statement two or three times, very emphatically, that they made no profit at all on the cartage they simply paid out, or I mean to say that they got back, what they paid.

WITNESS. They did the business precisely as I did it. They could make a profit if we made a profit. It is done in the same way; they charge so much a case; they can say that they didn't make a profit on the cartage and put on a little extra price on the storage.

By Mr. CASSERLY:

Q. There is some loss on the general-order storage on the part of the warehousemen?—A. In what way?

Q. Are there any bills that he does not collect?—A. No; he has a lien on the goods in the store. It is his own carelessness if he does not collect that.

Q. Does it not happen that property is left in his hands that is not collected on a lien?—A. Very seldom.

Q. In that point however, it is an extremely safe business?—A. Extremely safe, yes.

By Mr. PRATT:

Q. When this general-order business was given to Leet & Stocking, Mr. Bixby, was there any prejudice or feeling upon the part of the old warehousemen or the merchants, against these gentleman as new men, or carpet-baggers, come to New York?—A. They don't generally estimate carpet-baggers very highly here, but still I don't know as there was any particular prejudice against these men.

By Mr. BAYARD:

Q. You have rented, necessarily, and leased a great many buildings; are you familiar with the present public stores—the appraiser's stores?—A. I have not seen them since they were altered. I don't know much about them.

Q. Do you know the character of the alterations?—A. No; I have not noticed them.

Q. Was it not to widen the streets, so that it diminished the area of the stores?—A. Yes, sir; I think they put on an additional story, if I recollect rightly.

Q. I believe the result of the improvement did not increase the area of the building at all; my question is, what would such a building fairly rent for in New York?—A. A building in that neighborhood, that is 25 feet wide, and 100 feet deep, while in the ordinary dimensions of a store or warehouse, a fair rent for it is from \$2,500 to \$3,000.

Q. That is, a rectangular building, 25 feet front, and 100 feet in depth?—A. Yes.

Q. And of what height?—A. Four or five story building.

Q. Of the height of these public stores?—A. Yes, sir; \$3,000 is a fair rent.

Q. Do you know what the front of that building is?—A. No; I do not.

Q. Is there any difficulty in renting a block of stores at that price?—A. Would there be any difficulty?

Q. Yes; in a good position?—A. I cannot call to my mind any place where they could get a block.

Q. I mean by a block a number together.—A. Room enough to do that business?

Q. Yes.—A. Well, there are places in New York; I cannot call them to mind now.

Q. Equal in convenience?—A. I think that is an inconvenient place.

Q. You think there are better places in New York?—A. Yes.

Q. At which warehouses, equal in character for stability and capacity, could he had at the rate you mention, \$3,000 a year, for 25 feet front and 100 feet depth?—A. Yes; that is the price we pay for stores in that immediate locality.

By Mr. PRATT:

Q. Did I understand you to say that, after Mr. Grinnell was appointed collector, you made application directly to him to have your stores designated as general-order stores?—A. Yes; made it in writing.

Q. Will you please state what your political *status* was at that time, and now?—A. I am a democrat, right up to the handle.

Q. Did Mr. Grinnell know that fact?—A. Yes; very well knew it, when I went there, and when I left.

Q. Your brother was interested, or had been, with you in business?—A. Yes.

Q. He was a democrat likewise?—A. Yes; the whole family are democrats.

By Mr. CASSERLY:

Q. Did Colonel Leet know about your politics at all?—A. Yes; very well; I didn't wish to deceive him in that regard.

By Mr. BAYARD:

Q. It was rather a source of pride than otherwise?—A. It was rather a source of pride and satisfaction.

By Mr. CASSERLY:

Q. You may have testified upon the point; I will ask you this question: have you testified as to the authority of the collector to designate any warehouse of a particular class as a general-order store?—A. Authority is given to him.

Q. He has sole authority?—A. Yes.

Q. So far as this city is concerned?—A. Yes.

Q. He can revoke that designation whenever he sees fit to?—A. Yes, sir.

Q. Does it not follow, from that authority in his hands, that he has the full control of the whole subject, including the subject of the charges in the general-order store?—A. They are all within his control.

Q. Is he not, therefore, the officer who is responsible for any abuses in the charges, or in any other respect?—A. Yes; unquestionably.

By Mr. PRATT:

Q. If completely within his control, why then should there have been complaint that Leet & Stocking were designated as keepers of general-order stores?—A. I think they

should complain of the collector for giving it to them, if there is any complaint to be made.

Q. I say, why was there complaint against Mr. Grinnell for giving the business to them, if the matter was completely within his control?—A. It is completely within his control; but why complaints were made I do not know.

By Mr. CASSERLY:

Q. Is it not a possible, and also a not uncommon thing, for an officer who has the complete control to abuse that discretion?—A. I have known of instances of that sort.

By Mr. PRATT:

Q. Was it abused in this instance; has the general-order business been conducted to the general satisfaction of the community; has it not, as a general thing, been conducted as it ever was?—A. Lately?

Yes.—A. I don't think so; no, sir.

Q. What is the trouble?—A. The trouble was, too much crowding of goods into one warehouse produced confusion and delay.

Q. Has that ever occurred since the time that the business was taken away from Mason & Co., and those general-order goods were thrust suddenly upon Leet & Stocking; since that temporary confusion, has there been, in your opinion, any well-founded complaint?—A. Yes; it must necessarily occur; I don't think it is any fault of the men, or any store. Two or three steamers arrive at one time, and they must discharge cargoes at the same time.

Q. But suppose they have sufficient openings to receive and discharge goods?—

Q. All the receiving and discharging of goods must be done under the supervision of the custom-house officer, but I see they have sixteen entrances to the warehouse; they ought to have sixteen officers also, one to each entrance. I don't see how the store is more advantageously arranged than any other store without that.

Q. You mean to say that it is indispensable that there should be a store-keeper at each door where goods are received and discharged?—A. I mean to say that the law requires it.

Q. It does require it?—A. Yes, sir.

Q. Is there any law requiring more than two store-keepers to a warehouse?—A. I don't know that the law requires that there should be more than one; I only have one for my warehouse; I have no occasion to use but one. The law requires that there shall be one. It is a matter of convenience to these parties.

Q. Do you think that the numbers should be multiplied, with every opening of the building?—A. I say that the law requires that these goods should be delivered by the store-keeper, and that to make sixteen different places for the delivery of goods available, they should certainly have sixteen different officers.

Q. Would that be necessary?—A. If they were delivering goods at sixteen different places, and the law required that those goods should be delivered by custom-house officers, I should think so.

Adjourned to 7½ o'clock p. m.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 7½ o'clock.*

JOHN COCHRANE sworn and examined.

By Mr. STEWART:

Question. Do you know Mr. Mudgett?—Answer. I know him.

Q. Do you know General Porter?—A. Yes.

Q. Do you recollect an interview between yourself and Mr. Mudgett, which, I believe, occurred in Washington, at some hotel there—the Arlington?—A. I remember it.

Q. You were present at a conversation, it is alleged, which induced you to speak to General Porter about it, and to bring Mr. Mudgett and General Porter together?—A. Not exactly in that manner. I remember very distinctly—I think some time in the summer or warm season of 1870, at Washington, in the Arlington House, in what is called the office—I heard Mr. Mudgett speak in loud terms of the complicity of General Porter in affairs in the custom-house here.

Q. Do you recollect what he said at that time?—A. Nothing but a general allegation. I heard it casually, as one promiscuously—one of the ordinary frequenters of the office—guests and others; and to whom Mr. Mudgett was speaking, or whether speaking particularly to any one, I cannot say. I was attracted by the loud enunciation by Mr. Mudgett of that fact. What the terms were, or otherwise, than that charge—the substance of the terms I cannot now remember.

Q. The charge was that he was interested in the New York custom-house?—A. That was the impression left upon my mind.

Q. What did you do then?—A. Then I spoke to one or two casually, but who they were, I have no remembrance now, of the fact, that I had heard of such a charge, and that it surprised me; and that as familiar as I had been with Washington, I had never before heard of charges of that nature against any one an inmate of the White House. This I said, (if I may be allowed to state,) hoping that my expressions would reach General Porter's ears. I think they did, for either on the evening of that day, or of the next, while I was in the same room in the Arlington House—the office—General Porter approached me, and spoke familiarly, as our terms of acquaintance warranted, about general charges that he had heard leveled against himself, and their enormity and their falsehood. I sympathized with him, for I believed them to be false entirely; and then mentioned that I had heard them myself there in that room, and had spoken of that freely in order that they might reach his ears. And I stated to him then who I had heard, naming Mr. Mudgett, saying that I knew Mr. Mudgett very well, and had no doubt that Mr. Mudgett would be willing to receive his explanations; that I thought he must be laboring under a mistake, and so it was that I proposed to him that I should bring Mr. Mudgett to him at his office in the morning, at the White House, if Mr. Mudgett was willing, to which General Porter assented. It was a friendly arrangement between acquaintances, and in respect to which, and the interview which succeeded, I could not for a moment have thought of speaking, and would not have spoken even under command of this committee, if it hadn't so freely been spoken of by Mr. Mudgett, and if I hadn't supposed, if I remained quiet after he had spoken of it, that unfavorable inferences might be drawn to one party or the other of the interview.

Q. You saw Mr. Mudgett after that?—A. I saw Mr. Mudgett after that evening. It was not but a very little while—hardly an appreciable time after General Porter left, that I saw Mr. Mudgett in the same office, and I approached him, and mentioned to him this interview that I had had with General Porter; that he felt hard at remarks of that kind, and that I had proposed to him an occasion for explaining himself to Mr. Mudgett, and I supposed all that Mr. Mudgett required was an explanation, to be satisfied. He assented to it, and in the morning, I think it was at 9 o'clock—I am not sure—but at the hour specified, Mr. Mudgett and myself went to the White House, and General Porter introduced us, I think, into the northeast room. It was not his own office; it was a room where we were alone; then a conversation ensued between General Porter and Mr. Mudgett, I taking no part in it. And I must say here, premising that as to the details of it, my remembrance is not very vivid, I not then designing to give much attention to the details, thinking nothing of the charge, and that there could be nothing in it, but giving my attention particularly to the result—to the general result. I will state, therefore, under that qualification, what I do remember—what is impressed upon my mind; and if there should be anything to which you wish to direct my attention after that, specifically, I should be happy to answer in respect to it. I think General Porter stated to Mr. Mudgett that he understood that he had asserted that he was in the general-order business in New York. Mr. Mudgett, I think, explained that he had not said that he knew it, but that he believed it, or so understood it to be. Then General Porter went on with his explanation and details, referring to matters with which I was not familiar, but evidently with which Mr. Mudgett was quite familiar, and in respect to which General Porter and Mr. Mudgett had an extended conversation. But I remember in the course of that conversation General Porter stated this—I cannot be mistaken in that, I think—that General Grant hadn't written any letter to Mr. Grinnell for Mr. Leet—I think it was Mr. Leet, or whoever the gentleman's name was, that was in question; I think it was Mr. Leet—specifically for any benefit in the custom-house, but that he had given him a general business-letter of recommendation, and precisely, as I understood it then, such a letter as it appears to have been, from the copy which I have seen in print. I think at that time that Mr. Lindsay was referred to as having used familiarities regarding General Porter that indicated intimacy, and I think that General Porter didn't recognize a degree of friendship that these familiar expressions attributed to Mr. Lindsay would indicate; and I think, though I am not positive whether I might not confound this occasion with another, that he said then that he had no extensive acquaintance with Mr. Lindsay. Mr. Mudgett, I perceive, states that *I* also had used in respect to General Porter the curt diminutive of "Port." Well, therein Mr. Mudgett must have been mistaken.

By Mr. CASSERLY:

Q. That you had used it?—A. That *I* had used it; it may have been a mistake in the report.

Q. That Lindsay had stated it?—A. He stated that, and I see, also, in the report that *I* had also. That is the sum of General Porter's statement; I remember that at every point he contradicted the understanding of Mr. Mudgett and his allegations, and with a final and categorical denial of any interest whatever in any business or concern of the custom-house. It was so full and so satisfactory that, as we were leaving—coming away—whether it was within the White House, or upon the walk outside, I

don't remember, I said to Mr. Mudgett, "Well, now I hope you are entirely satisfied of the innocence of General Porter of every charge." He hung his head a while, and said, "Well, his conversation is satisfactory, but I still believe as I originally believed," or substantially that—evidently referring to his believing rather in his information from other sources than the information given to him by General Porter.

By Mr. STEWART:

Q. How did it impress you?—A. O, I must say that when I went there I had no idea of the guilt of General Porter; none whatever, and I must say that when I left I was quite clear and free in my own mind that there could be nothing at all.

Q. The conversation was a full one on the whole matter?—A. Evidently very full, but I didn't pursue it in all its ramifications; I didn't follow it.

Q. But you listened to it, so as to take in the scope of it?—A. Yes, and recorded in my mind the results.

Q. And then you left with the conviction that General Porter had made a frank statement of the transaction?—A. That was my conviction. Of course I hadn't the remotest idea that this conversation would ever be dragged before any investigating tribunal.

Q. Do you recollect whether this Bixby transaction was referred to in the conversation?—A. Well, it might have been, and I not observe it; my testimony upon that point, one way or the other, would not be reliable. I had heard of Bixby, and had heard of Mr. Leet, and I had heard of a great many things, but they made so little impression upon me that I rather repelled them than accepted them.

By Mr. CASSERLY:

Q. I understand you went with Mr. Mudgett, at his own request, to this interview with General Porter, or was it your own wish?—A. I think that I proposed it to him myself in narrative, in informing him of what had occurred between General Porter and myself; and I am not certain but he said at that point he would like me to be along, or something substantially of that kind. I would remark here that I didn't consider myself as going along to witness the explanation or the interview, but simply that I was doing the office of a friend to a friend.

Q. As you had been brought into the matter accidentally, as it were, you considered it proper that you should go with Mr. Mudgett to meet General Porter?—A. I proposed that to General Porter in order to relieve him of the awkwardness of an interview with a person that he didn't know, understanding that he didn't know Mr. Mudgett; that I would introduce him.

Q. You being the friend of both parties?—A. Yes; but in this instance I acted primarily in my friendly intercourse with General Porter.

Q. And as General Porter's friend?—A. Friend in the sense of a friendly acquaintance.

Q. You were desirous that he should vindicate himself from the general charges which you heard from Mr. Mudgett?—A. Yes. I felt pained at charges of that description against a gentleman of my acquaintance in that position, believing all the while that they were entirely groundless, and that nothing was wanting but an opportunity for him to explain them to the person who made them, and in that sense my whole action was a friendly act, not only primarily toward General Porter, but also in the next place toward Mr. Mudgett.

Q. Then, in the first place, feeling as a friend to General Porter, you went there, filled with the idea of his entire innocence in the premises?—A. Yes; that was my object.

Q. The attention that you gave to the matter was not minute, I understand you?—A. It was not.

Q. Rather general?—A. Rather general; and, indeed, so general was it that I detected myself once or twice at inattention, and endeavored to recall my attention to the conversation.

Q. It was not precisely the attention you would have paid—I am addressing you now as a member of the same profession with myself—had you been there as a judge or a juror?—A. Not at all.

Q. Did you hear General Porter say anything as to the interest of Leet, or Babcock, or himself in the general-order business, or any matters connected with the New York custom-house?—A. I don't think I could answer that more specifically than I have. The disavowal was, as I remember it, summarily to have been of all interest of himself, especially in anything about the custom-house.

Q. Was Mr. Leet referred to in the same connection?—A. I think his name was used; but whether specifically in connection with any particular business in the custom-house, or generally connected with the custom-house, I cannot say; and I think that no more specifically than I have mentioned already. Mr. Bixby's name occurred in the course of the conversation.

Q. Mr. Mudgett's statement is very explicit that General Porter said in that inter-

view that neither himself nor General Babcock, nor Mr. Leet, had any interest whatever in anything connected with the custom-house; can you state whether you attended sufficiently to that part of the conversation to be able to say how that was?—A. No; I was going to say that I didn't attend sufficiently to that to say that it was not so, or to confirm it by additional testimony on behalf of it.

Q. All that you remember was, that Mr. Leet's name was mentioned in the general connection?—A. I think it was.

Q. Now, can you state what Mr. Mudgett's charge was—whether his charge was, in general, of the terms that Leet, Porter, and Babcock, or that Leet and Porter had an interest in the general order, or some matters connected with the custom-house?—A. The charge complained of was announced, as the initial, by General Porter, and that referred to himself; and then Mr. Mudgett explained that he didn't know—that he hadn't said that he knew, but that he said he so understood the fact. So the opening of the conversation began with the investigation of that specific charge against General Porter. As the conversation went on through detail, it probably, as I stated, included the names of these gentlemen, and so they became involved; but the result at the last was, and at different times, in the course of the conversation, that General Porter explicitly stated, and insisted by his explanations, and the result of them, that he was not implicated at all in anything connected with the customs; and I presume that he did, and it is my impression, too—that rests upon an impression—I presume that he also denied any interest with anybody who, if interested, would connect him.

Q. I think you have stated that General Porter made some explanation as to an effort of Mr. Leet with the President to get the general-order business, but that Mr. Grinnell had responded that it was given out to another person for public reasons?—A. That I didn't hear; it may have been said. I understood—

Q. [Interrupting.] You mentioned that Mr. Bixby's name was brought in?—A. I said that I thought that it was, but exactly in what connection I could not say.

Q. Mr. Mudgett's testimony is that he (General Porter) explained this attempt of Mr. Leet with the President to get the general-order business, but Mr. Grinnell had responded that it was given to Mr. Bixby, &c., for public reasons, and that he could do nothing for him.—A. That I didn't understand; I didn't listen to it; but because of my general inattention that I have stated, I cannot deny it—I cannot say that it did not occur, but I must say this, that I did understand that General Porter denied that General Grant had applied, by letter or otherwise, for anything for Mr. Leet in the custom-house, stating that his letter was in terms such as the copy of the letter answers that has been published.

Q. You don't remember what General Porter said of the contents of that letter?—A. That it was a general business recommendation, I remember—that was my impression; it was my positive impression before I read the letter, the copy of which was published, and when I read that, that copy corresponded precisely with the description of the letter, as I understood it to have been given by General Porter.

Q. I must say, not understanding the letter that way, I would be very glad if you could give us now, as clearly as possible, what General Porter said was the character of the letter written by General Grant?—A. As it rests in my mind, that it was a general business letter of recommendation.

Q. What more?—A. Nothing more than that; that is the whole. I may say this further, in reflection, now that you draw my attention to that letter more specifically, I didn't understand even then that the letter referred to anything in the custom-house. I understood by the expression "general business letter," that it was not connected with the custom-house or anything with the administration.

Q. Either impliedly or expressly?—A. Neither.

Q. Mr. Leet was mentioned by General Porter in the conversation, was he?—A. He must have been. I think, as I have stated before, that he was, as this letter referred to Mr. Leet.

Q. What caused General Porter to refer to this letter of General Grant given to Mr. Leet?—A. There I am at a loss, for the reason that I did not follow the thread of the conversation.

Q. You have stated that General Porter denied any connection with the general order or any other matters connected with the custom-house for himself, and for anybody through whom he might be connected with it?—A. Yes, sir; I give that as my summing of my understanding; not that he used those terms.

Q. You don't undertake to recite the exact words he used; you merely state the general substance of that conversation on that point?—A. On that point it is rather remoter removed than the substance. I give my inference from the substance of what he said.

Q. I understand you to say that he denied that General Grant had given to Mr. Leet any letter except that which he described, as you have stated?—A. So I understood, yes.

Q. How did Mr. Leet's relations to the general-order business come into that con-

versation?—A. I am unable to give you that. I have, in thinking the whole matter over, given you the conclusion of my thoughts and the course of the narrative there, with as much consecutiveness as my memory will now enable me to. Whatever deficiency there is at that point I attribute to what I have already expressed to be my inattention.

Q. Have you any doubt that Mr. Leet's connection with the general-order business did form a topic in that conversation?—A. I cannot say that it did, more than it necessarily must have done in authorizing the introduction of the letter of the President given to him.

Q. Now, in what way could General Porter have been drawn into the matter of the general order, or any privileges connected with the New York custom-house, except through Mr. Leet?—A. Well, I don't know that, Mr. Casserly.

Q. What was your general impression about the whole controversy at the time, as derived from the statements of Mr. Mudgett in the office of the Arlington, and the subsequent conversation between him and Mr. Porter; was General Porter's relation to the subject of the general order engrafted upon Mr. Leet's connection with it?—A. It was not, in my mind, so engrafted. I have heard simply the charge as heard casually in the Arlington, of General Porter's complicity with custom-house affairs, and that is all I heard or understood. That is all; generally in that way. What they were I could not say. I would answer more specifically if I could. Mr. Mudgett was mistaken, if, as the report says, he stated that I was present when he had a conversation in the presence of gentlemen on the steps of the Arlington, or with a body of men. I was not. I was never present at any conversation of the kind. I simply heard this general statement as I have related to you, and, having heard it in that way, repeated it as I have stated it; so, thinking that it might get to the ears of General Porter, when he came to the Arlington he accosted me and we had a conversation, and then I told him that I had said so myself—having heard this; and that Mr. Mudgett was the person whom I had heard.

Q. Was not the general order mentioned either in Mr. Mudgett's statements, or any conversation subsequent, between him and General Porter?—A. It was not in the Arlington House; that I can testify to clearly and distinctly; but whether it was or not in the morning at the White House, I am unable to say.

Q. What is your impression about that, if you have any, that you think worthy of mention; you gentlemen of the profession understand the value of evidence.—A. I was going to say that I have not a legal impression; I have simply a belief, and to express a belief here is what I don't desire to do.

Q. If general order was not mentioned or understood in that conversation, how did Mr. Leet come to be brought into it?—A. Well, one would say, inferentially, that it must have been mentioned. I am speaking now of my memory. If you would allow me to argue the question, I could state the conclusion to the jury and the court—

Q. You are at liberty to state anything?—A. I would rather not; it is a matter that is unpleasant to me. I would not have dreamed of it, if it hadn't been spoken of here.

Q. Can you account now for the circumstance of Mr. Leet having been brought into that conversation, unless in connection with the general order?—A. I think it must have been in that way; that is the way I would reason.

Q. And the general denial of General Porter embraces not only himself, but any person through whom he might be connected with the general order?—A. So I inferred, and my inference, too, based upon my ultimate expression as the summing of the affair between Mr. Mudgett and myself, that I hoped he was perfectly satisfied now of the innocence of General Porter.

Q. That was afterward. Now, as to Mr. Lindsay, there does not appear to be any great difference between you and Mr. Mudgett. As I took down your testimony, General Porter said, I think, he had no extensive acquaintance with Lindsay; is that correct?—A. Yes.

Q. Mr. Mudgett's testimony, as our official reporter has given it to us, is in these words, speaking of what General Porter said: "He said," (that is General Porter,) "in the first place, he had no acquaintance with Mr. Lindsay; that he was no acquaintance of his at all." Yours differs from that only in qualifying the word "acquaintance" with the adjective "extensive"—A. Allow me to explain at that point a little. I had conversations with General Porter before—one at least—regarding Mr. Lindsay, and it is barely possible that my memory of what occurred at that time and this may be a little confused.

Q. That you have mingled the two conversations together?—A. It is barely possible. I have endeavored, however, to speak in reference to this alone, but the committee will perceive that my efforts may be nugatory in some degree, on account of the lax attention which evidently I gave. I did not understand General Porter that he did not know Mr. Lindsay. I did understand, as I think, clearly that General Porter hadn't an intimate acquaintance with him; perhaps one of not even ordinary degree; not even amounting to that degree of an ordinary acquaintance.

Q. Your first language was "no extensive acquaintance?"—A. I meant to convey

that idea; that he knew him, but that his acquaintance, perhaps, was not entitled to the respect and degree even of an ordinary acquaintance.

Q. What General Porter conveyed to you was, that his acquaintance with Mr. Lindsay was not entitled to be classed in the degree of an ordinary acquaintance?—

A. To that degree of intimacy, even.

Q. To the degree of intimacy which an ordinary —— A. That he hadn't attained even that intimacy.

Q. That his acquaintance with Mr. Lindsay was not such as to rank with that degree of intimacy which an ordinary acquaintance implies; was that it?—A. That, I should say, was it.

Q. Have you any recollection in your own mind that would enable you to contradict the testimony of Mr. Mudgett in regard to the language which I have just read from the notes of his evidence, as to what General Porter did say on the subject of his acquaintance with Mr. Lindsay. I will read it again if you have no objection. "He" (General Porter) said, "in the first place, he had no acquaintance with Mr. Lindsay; that he was no acquaintance of his at all?"—A. I would not be able explicitly to contradict that. I can only say that I understood it as I have rendered it.

Q. That the acquaintance which he had was not of such a character as to amount to any intimacy?—A. That was it.

Q. Now, with regard to that statement of Mr. Mudgett upon the subject of the interest of himself, General Babcock, or Leet, in anything connected with the New York custom-house, let me read for you again, if you have no objection, what the testimony of Mr. Mudgett is: "He" (that is, General Porter) "told me that neither himself nor General Babcock nor Mr. Leet had any interest whatever in anything connected with the custom-house;" then I said to Mr. Mudgett, "Please to state that again," and the second time he said, "He assured me that neither himself nor General Babcock nor Mr. Leet had anything to do with anything connected with the custom-house;" can you deny or affirm that statement?—A. In respect to that I should say that that may have been uttered in my hearing, and it may have made no impression upon my mind, owing to the state of mind in which I was, as I have described it.

Q. Just state, if you please, the temper of your mind you referred to?—A. Inattention; general inattention.

Q. I understood you to say you went there with your mind prepossessed with the perfect conviction of General Porter's innocence?—A. I did.

Q. After hearing the conversation so far as you attended to it, you were confirmed, as I understand, in your previous ideas?—A. Yes, sir; confirmed by the statement of General Porter.

Q. On going out, you had some conversation with Mr. Mudgett as to the effect produced on him by the interview; will you repeat it? I didn't quite get it all down in my notes.—A. I give only the effect it gave—only the substance. As we were passing out—whether within the White House or upon the walk, I cannot say—I remember distinctly to have addressed myself to him regarding the satisfactory nature of General Porter's explanation, and hoped that he was satisfied with it. He assured me substantially that it was in itself satisfactory, as his own explanation; but reflecting a minute, he expressed incredulity, referring to things which he knew from other sources as claiming his credence in preference.

Q. He didn't mention to you that information which he derived from other sources, and which compelled him to be incredulous as to General Porter's statement?—A. No; he did not.

Q. You spoke of General Porter's explanation; did that explanation, or did it not, consist mainly of denials?—A. First, it must have gone into, and did evidently go into, detail—detailed by Mr. Mudgett and answered by himself, and then prompting himself, and answered by Mr. Mudgett. That was the course of the conversation, to all of which, as I have stated, I did not attend.

Q. Is it not true that in the frame of mind in which you were, and paying just so much attention and no more, as you have described, did you attend most to these details of explanation or to General Porter's denials?—A. Most to the denials.

Mr. PRATT. May I ask a question which has reference to the point upon which the witness is now being cross-examined?

Mr. CASSERLY. I would rather continue until I have finished. I am so accustomed to examinations in court, and proceedings of this nature are so irregular in their character that an interruption now would probably break the connection. In speaking of my examination as a cross-examination, I beg leave to differ. General Cochrane is one of my oldest New York friends, and I trust he does not consider my examination a cross-examination.

The WITNESS. I do not, unless it is cross to you.

By Mr. CASSERLY:

Q. Where did this conversation take place?—A. Which?

Q. The conversation between you and Mr. Mudgett?—A. That was as we went away,

either upon the stairs as we descended, or the stoop outside, or the pavement, just near it; somewhere in that vicinity. It was a sort of "away-going" conversation.

Q. Somewhat casual in its character, I presume?—A. Well, a little more positive than that, for the reason that I was referring the sum and substance of the whole conversation of General Porter to his own apprehension for my own satisfaction; and his answer was of that character that the conversation in itself was satisfactory, but he referred to other circumstances to which he rather preferred giving credence.

Q. Had you known General Porter or Mr. Mudgett the longest?—A. I rather think I must have known General Porter the longest. I probably had seen Mr. Mudgett, but not to know him, about the city here, anterior to the time that I had seen General Porter.

Q. Were your relations much more intimate, or less so, with General Porter than with Mr. Mudgett?—A. I think that I may say that they were more intimate with General Porter, and yet they did not reach the point of intimacy with General Porter.

Q. My question was a comparative one.—A. I say that they were more intimate with General Porter, but not intimate with either.

Q. Mr. Mudgett did not give you the facts derived from other sources of information, upon which he rested his incredulity in the statements of General Porter?—A. Not at that time; casually, from other sources, and perhaps from himself, I heard.

Q. Since that time?—A. Since that time.

Q. What did you understand as to the result of that interview, as to whether Mr. Leet had any interest in matters connected with the custom-house; as, for instance, the general-order business?—A. I don't think I could answer more specifically than I have. General Porter himself nor any person with whom he could be supposed, from his position, to be connected.

Q. Have you no impression, or can you state now, whether, on leaving General Porter at that interview, you had the idea that Mr. Leet, any more than he, had any interest in the general order?—A. I don't believe I gave Mr. Leet a thought.

Q. You were thinking more of Porter, but very little of Leet.—A. Yes.

Q. You probably didn't know Mr. Leet much, if at all.—A. I don't think I knew him at all at that time.

Q. You said something a while ago as to some conversation on the steps of the Arlington. I don't remember any statement by Mr. Mudgett on that subject; it may have been made—what was that?—A. I referred to his report in the testimony that, when conversing there—it may be that I mistake, it may have been at some other part of the Arlington—but when conversing in the presence of a number of gentlemen he made this remark against General Porter, and I think he then specifically stated his interest in the general-order business, and that somebody denied or thought that General Porter could not be interested in it.

Q. Who said this?—A. This is what Mr. Mudgett says, as I read it in the report in the papers of his testimony here; whether he testified so or not I cannot say; but this report represents that he supposed that it was at that time. I have no remembrance of such an occasion or such a remembrance. I remember only just such a one as I have stated.

Q. You have spoken of having had another conversation with General Porter about his acquaintance with Mr. Lindsay, beside that at which Mr. Mudgett was present?—A. No. O, besides that at which Mr. Mudgett was present?

Q. Yes.—A. Yes.

Q. When was that other conversation?—A. That was in the course of our casually meeting at the White House, or at the Arlington, or anywhere else that it might occur in Washington. I think before this conversation between General Porter and Mr. Mudgett, at which I was present.

Q. Was that conversation in regard to the degree of his acquaintance with Mr. Lindsay?—A. Precisely, at that point, and the representation of that degree of acquaintance was precisely that which I have given you here, that I understood the conversation between Mr. Mudgett and himself.

Q. That is to say that talking on the same subject General Porter's statements in the first conversation with you were about as they were in the second conversation, at which Mr. Mudgett was present?—A. Precisely.

Q. And the difference of both was that the acquaintance was not at all such as would amount to any degree of intimacy or marked friendship?—A. Yes; not even the intimacy which would attach to our ordinary acquaintance.

Q. That, whatever the acquaintance was, it didn't amount to the intimacy of our ordinary acquaintance, is what you stated, I believe?—A. Yes, that was my inference.

By Mr. PRATT:

Q. The single question I wish to ask you is this, whether in the conversation which you have detailed as occurring at the White House—whether Mr. Mudgett referred to

the grounds of his belief that General Porter was interested in the custom-house affairs of New York?—A. So I understood him.

Q. I mean to say did he give the source of his belief; did he give General Porter the names of his informers?—A. I presume that he did, but that presumption rests only upon my inference, my remembrance not being equal to the fact—my inference that from the course the conversation took in coming to its conclusion, and the various incidents that I do remember of the conversation, those names probably were mentioned and those details were given.

Q. Do you recollect any names now that Mr. Mudgett referred to?—A. No more distinctly than I have stated.

Q. Do you remember whether Mr. Mattison, of Utica, was referred to?—A. I have no remembrance of it.

Q. Or Mr. Wheeler, I believe, who is now dead?—A. Taylor you mean.

Q. Do you remember whether Mr. Taylor's name was mentioned?—A. I don't remember.

Q. Or Mr. Williams's; I believe that was a third name he referred to?—A. I don't remember.

Q. I think Mr. Mudgett, in his testimony, referred to Mr. Williams as one of his informers.—A. I don't remember those names, and yet it is quite probable that they were referred to, judging of what must have been the scope of the inquiry.

By Mr. STEWART:

Q. I understood you that this letter was referred to which was written by General Grant?—A. Yes.

Q. I have the letter here that has been offered in evidence. I will read it, and see whether it is the one you referred to as described in the conversation.

“EXECUTIVE MANSION,
“Washington, D. C., March 19, 1869.

“DEAR SIR: This will introduce you to Colonel G. K. Leet, who served under me from early in the war to the present day—from the fall of Vicksburgh forward—as a staff officer. He is a business man of unquestionable integrity. His experience before the war fits him for business of almost any kind. He now proposes to resign from the Army to engage in private life, and I cheerfully recommend him as possessing all the qualities necessary to inspire confidence.

“Yours, truly,

“U. S. GRANT.

“M. H. GRINNELL.”

A. In general terms that does, but, as I stated to Mr. Casserly, the distinct understanding which I had then of the letter was that it was a letter of general business recommendation.

Q. Is not this a letter of general business recommendations?—A. I should say that it is.

Q. That letter, I understand you, corresponds with what you understood General Porter to say there?—A. As it strikes me, generally—I don't know how you might criticise it—but it strikes me as it strikes the general ordinary understanding.

Q. Do you say that Mr. Mudgett did not express himself as not free from doubt, as you left the—

Mr. CASSERLY. Just state what the witness did say; he said “incredulity” in his statement.

The WITNESS. Incredulity of results.

By Mr. STEWART:

Q. Of our incredulity in the result of the conversation; did he express that incredulity while he was in the presence of General Porter?—A. No; I didn't hear any expression of the kind.

By Mr. CASSERLY:

Q. As the result of the conversations, did it appear that it was entirely satisfactory between the two that there was an understanding; did they appear to arrive at an understanding; did he appear satisfied?—A. I could not answer that. I was satisfied, and for the result of his mental action I applied to him afterward, upon leaving.

Q. He gave no expression while present?—A. None that I heard; and it was to satisfy myself on that point, which was the great point with me, I made that inquiry of him; not designedly, but as after having witnessed the interview between two friends.

Q. I have this letter before me; not having made any but the briefest note of your testimony, I must ask you to repeat what description of that letter General Porter gave to you in this interview.—A. My understanding of that description was, that it was a letter of general business recommendation. I don't undertake to say that those

were the words used, or that the description was inclosed within one sentence. The result which I gave may be the result of several sentences.

Q. That is the letter as given in the official notes of the reporter?—A. I suspect this is the letter I have seen in print.

Q. That is the only one?—A. Yes, sir.

Q. Let me ask you, did you understand General Porter to make the statement which he did to you in regard to that letter to distinguish a business letter from a letter bearing upon political preferment or privileges?—A. I did.

Q. Colonel Leet has testified that when he received that letter from General Grant, and also when he delivered it to Mr. Grinnell, his belief and understanding was that Mr. Grinnell was to be appointed collector of the port of New York; and you remember that he was shortly after that so appointed. Have you that fact in your mind sufficiently—I mean the fact of Mr. Grinnell's appointment?—A. I hadn't referred to it, but it would not modify my remembrance of that fact.

Q. Not what General Porter said, of course; but if that was a purely business letter, can you explain why General Grant should have given that letter, as a purely business letter, to Mr. Grinnell, rather than to any one of several more leading and eminent business men in New York, such as Mr. A. T. Stewart, Mr. S. B. Chittenden, Henry B. Claflin, and others, all of whom were friends of his at that time, if it was a purely business letter?—A. Senator, I could argue that in a court an hour; but I don't see that I can enlighten you here.

Q. Is there any explanation that occurs to you, if it was a purely business letter and not a political one?—A. I could explain it in one way, and I could set aside the explanation in the other way. I could leave you in the same position as I am, unless you are a partisan, and we partisans of New York are either one way or the other.

Q. We are of different frames of mind?—A. I was referring to utility, in referring to him and New York men, for political explanation.

Q. If you were Mr. Grinnell, and were informed, or had reason to believe, that you were to be appointed collector of New York by General Grant within a few days, and that letter had been presented to you, would you have regarded it as a business letter, or a letter given by the highest political authority in the country to you, about to be appointed to, perhaps, the first place, outside of Washington, in the country, what would be your judgment?—A. In our curt phrase here, I should say, "It meant business."

Q. By which, I understand you to say, it was not a mere show-case letter?—A. O, no.

Q. It was not a letter of introduction?—A. Certainly not.

Q. It meant something practicable?—A. Yes, it meant something.

Q. It strikes me that if you were in Mr. Grinnell's place you would have no difficulty in understanding it just as he did.—A. Well, Moses had a quick mind. I don't think I could help Moses at all.

Q. That was in 1870?—A. Eighteen hundred and sixty-nine, I think.

Q. How many years had he been in politics in this city at that time?—A. O, well, I suppose thirty years; perhaps more—twenty-five or thirty.

Q. Don't you remember his being mixed up in the Harrison campaign of 1840?—A. O, yes.

Q. In connection with certain proceedings in Philadelphia?—A. I was referring to them for my dates.

Q. I don't say whether justly or unjustly, for that is not material; that would give him an experience of at least twenty-nine years in politics?—A. Yes, sir.

Q. I presume that I shall not be assuming too much if I say that had you been in Mr. Grinnell's place you would have understood it just as he did?—A. I don't know how he understood it; I think he is reflecting upon that problem now.

Q. I must say that I think that reservation of yours demonstrates precisely the accuracy of my statement; because, if that was a business letter, he would have only understood it one way. The testimony of Colonel Leet is, that at the time he handed him a letter, or, perhaps, within twenty-four hours afterward, he told him he would like to get the general order, and that Mr. Grinnell replied to him that he should be satisfied; that was the manner in which Mr. Grinnell understood that letter at the time, and I ask you, although I shall not press you for an answer unless you are inclined to give it, whether you would or not have understood that letter, under the circumstances, as Mr. Grinnell understood it?—A. Yes, of course; the understanding of any request must be referred to the circumstances which surround it. If you wish to know about my opinion of that letter, I don't know that it necessarily implies that Mr. Leet is recommended to any specific duty in connection with the Government, or any general duty in connection with the Government, and yet there may be circumstances—and for those circumstances I refer you to the evidence before you, which I have not before me—which circumstances may put a different construction upon the letter.

Q. If the President had wished to put Mr. Leet in the way of purely business promotion, let me ask you if there were not six or eight, ten or a dozen eminent and lead-

ing business men in this city to whom he could have recommended Mr. Leet, with better chances of success for Mr. Leet, than to Collector Grinnell?—A. Well, Senator, as you ask me that, I will be frank and say that there were at that time a great many gentlemen to whom General Grant, if knowing them, might have given letters of recommendation for general business purposes; but it is very questionable in my mind whether those gentlemen would have had as many facilities—as great facilities of procuring employment, or advancing an applicant in such a direction—as Mr. Grinnell. I refer, now, to Mr. Grinnell's long standing, and well-known and esteemed standing as a merchant, in New York. That is simply on that point.

Q. Was Mr. Grinnell in any large or active business at that time?—A. He had been a merchant here many years, and just before his coming into the collector's office, he was the president of an insurance company in Wall street.

Q. Was he in any large or active business, however, in this city at that time?—A. None that I know, only that which I have stated to you.

Q. You know a great deal personally of the array of great business men who went to the side of General Grant at the presidential election in this city?—A. Yes.

Q. I think there were at least twenty-five or thirty of the first business firms in this city who were conspicuously devoted to him and zealous in his cause?—A. That is true.

Q. A. T. Stewart, for instance?—A. Yes.

Q. Mr. Claflin?—A. Yes.

Q. Mr. Elliott C. Cowden?—A. Yes.

Q. S. B. Chittenden?—A. All of them.

Q. Now, why should not General Grant, if desiring business promotion for Mr. Leet, have given him a letter to some one of those gentlemen, or some two or more of them, at that time?—A. I cannot answer that.

Q. The testimony further is that Mr. Leet had no idea of a business promotion or a business settlement in life, but that he went to New York desiring to get the general order?

Mr. STEWART. Is the testimony to that effect?

Mr. CASSERLY. Yes, I think that is quite explicit.

By Mr. CASSERLY:

Q. Would that effect your judgment as to the character of that letter?—A. O, yes; those are among the circumstances to which I referred.

Q. In other words, as a lawyer naturally would say, you think a letter ought to be read and understood by the light of the surrounding circumstances?—A. That is what I stated—

Q. A letter that may mean one thing under one state of circumstances, would mean another, read by the light of a different state of circumstances?—A. Yes.

By Mr. STEWART:

Q. Would you regard that allusion in the letter of engaging in private life as a recommendation to office?—A. I don't regard that letter as a recommendation to any office under the administration here, considered in itself; not necessarily so, but circumstances, as I stated, may make it so, and circumstances, again, may confirm its simple meaning and appearance upon its face.

By Mr. CASSERLY:

Q. This statement is that Colonel Leet intended to resign from the Army and engage in private life. A general-order store-keeper you would not say is private life?—A. It depends upon the applicants for that little office, as appears every day.

Q. What do you call a warehouseman; a private citizen or a public man?—A. He is a private man engaged in public business; I don't know how else to characterize him; he is a sort of nondescript.

Q. Mr. Claflin, in that meaning, is a private man, is he not?—A. I thought you meant Government warehouses.

Q. I did.—A. Is he a Government warehouseman?

Q. No; he is a dry-goods merchant.—A. He is a private citizen, of course.

Q. But I suppose a warehouse is no more a public matter than a railroad, street, or other things, or a hotel?—A. A Government warehouse has to do with Government goods.

By Mr. STEWART:

Q. I was about to ask you this: You say it depends upon circumstances what the letter is; those circumstances ought to have been known to the writer in order to give the meaning?—A. Of course.

Q. Those circumstances occurring subsequently, not known to the writer, would change the purpose in giving the letter?—A. They, of course, could not bear upon the meaning of the author of the letter at the time he penned it.

Q. Is it not very common that letters of recommendation are used for a different purpose from what they are given or intended?—A. They may be perverted.

Q. Any circumstances that were known to General Grant at the time he wrote the letter—the circumstances that surrounded him and were known to him—are the only circumstances that can explain his meaning, as I understand it?—A. So I suppose.

By Mr. CASSERLY :

Q. Had you written a letter for a friend, which he perverted from the purpose, as understood between you at the time of writing, would you not take the earliest opportunity, after discovery of that perversion, to set this right and to denounce his bad faith?—A. I should be inclined to; but I am speaking generally, in the abstract, without any light of the evidence before you.

Mr. HOWE I want to ask the general just one question. I don't care to go into metaphysics, but if the general has no objection to giving a professional opinion, I should like one.

Mr. CASSERLY. You don't want it free, do you?

Mr. HOWE. Yes, I have got to get it free; I cannot retain him. It is agreed here that because this letter spoke pretty kindly of Colonel Leet, and because he took it and came here and got a position in the custom-house, or under the custom-house, that the letter was designed to obtain that object for him. I find a clause of the letter has this language, "He now proposes to resign from the Army, to engage in private life, and I cheerfully commend him as possessing all the qualities necessary to inspire confidence." The professional opinion I want is whether, if Colonel Leet had taken this letter, with that expression in it, and come here and applied to Mr. Grinnell for a loan of \$10,000, and Mr. Grinnell had been weak enough to loan it to him, whether you think the President would be responsible for that money? I don't insist upon the answer.—A. I can only say that we don't believe here in the confidence game.

By Mr. CASSERLY :

Q. Do you think it requires a lawyer to be upon oath to answer a question so simple as that?—A. There is much that has occurred here latterly that I should not like to be understood as swearing to.

Q. There is no guarantee of money loaned in that letter, as you understand it?—A. No, sir.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 1872.*

EUGENE O'SHEA recalled.

By the CHAIRMAN :

Question. We understand that you desire to make some correction in your testimony of yesterday?—Answer. Yes, sir; relating to the passing of packages on the docks.

Q. Make such an explanation as you please.—A. I said that I believed they could not have passed in bad order without my knowledge. On reconsideration of that last night, I determined that they could have passed in bad order.

Q. They might be in bad order and you not notice them?—A. Yes, sir; inasmuch as I was very often, during the discharging of the vessel, engaged with the fees. My partner attended entirely to the passing of the packages.

By Mr. CASSERLY :

Q. Do you mean the general order, or packages generally?—A. All, sir. This I wish to correct in justice to myself and to all other parties concerned.

By Mr. STEWART :

Q. That is, you didn't observe them all and you couldn't tell, and you were not able to state whether they were in bad or good order?—A. Yes, sir.

By Mr. PRATT :

Q. Allow me to inquire whether, in looking at the packages and taking off the marks and numbers, your attention is attracted to any other part of the case except that where the numbers and marks are?—A. It is, sir; and where we find a package in bad order, we have it returned down the dock; that is, where it is not in shipping order.

By Mr. CASSERLY :

Q. Just develop that a little. How do you have it returned on the dock?—A. We order the stevedore to return it to the dock for repairs—cooper it.

By Mr. PRATT :

Q. Suppose it was crushed in in the opposite side to where the marks are. You looked at the sides where the marks are on ; now suppose it was crushed in on the other side, would you notice it ?—A. Not at all times, sir.

Q. Is it a part of your examination when you look out of the custom-house window on the dock to determine whether the package is in good or bad order ?—A. It is, sir.

By the CHAIRMAN :

Q. When you retain them do you have them repaired so that they may all go from your dock in good order ?—A. Yes, sir.

By Mr. PRATT :

Q. If there were signs of salt-water upon the case, would you observe it from your window ?—A. We could, sir.

Q. Do you observe it with the same minuteness and care that the keeper of the general-order warehouse does when he receives it ?—A. I think not, sir.

Q. Do you pretend to turn over the box and examine the different sides, or simply look at the side that is presented to you with the marks on ?—A. Yes, sir.

Q. That's all, is it ?—A. That's all.

Q. You sit outside, and one of the men wheels the box up in front of the window ?—A. We sit inside of the window.

Q. You don't get out to handle the package at all ?—A. Not at all times ; we sometimes do when we see that the package is not in good order.

Q. After you have examined the mark and number, and compared it with your permits, do you then give an order whether it shall go to the public store, or to the general-order store, or to the bonded warehouse ?—A. Yes, sir.

Q. Is it then marked upon the packages ?—A. It is, sir, and it is checked as they pass the window. This correction I wish to make, in order that I shall do justice to myself and to all others concerned. I believe that the answer was given in a hurry ; it was, I believe, the last answer I gave last evening, and after I went home I reconsidered the matter, and I thought it was very probable that packages might be passed in bad order without my knowledge.

Q. Allow me to inquire ; on the packages examined by either of the inspectors, ship's side ?—A. Not on steamers, sir.

Q. I speak of steamers, of course.—A. No, sir ; they are not.

Q. Is this the first examination which is made of the condition of the package, when it is wheeled by the window of the custom-house officer ?—A. It is ; yes, sir.

Q. Is that the first time that a record is made of the marks and numbers of the packages ?—A. It is, sir.

Q. When they are taken from the dock the carman takes along a receipt for the store-keeper to sign, I understand ?—A. Yes, sir ; a ticket, we call it, relating to the other correction.

Q. Does the dock-clerk, or whatever his name is, on behalf of the owner of the vessel, take likewise a receipt from the carman for the packages ?—A. He does, sir.

Q. That's the only receipt, then, the carman gives ; he doesn't give one to you ; he simply takes the ticket which you prepare ?—A. Yes, sir ; that's all.

By Mr. CASSERLY :

Q. I understand you to say that you consider yourself charged with the duty of observing the condition of the package ?—A. Yes, sir.

Q. Whether it is in good order or in bad order ?—A. Yes, sir.

Q. Where are you stationed upon the dock when the steamer, as in this case, is discharging ?—A. We have an office on the dock.

Q. A little house inclosed with windows in the front ?—A. Just so, sir ; and we sit inside of that window.

Q. Of course, then, your attention is attracted to the subject of good order or bad order, as the case may be ?—A. Yes, sir.

Q. I understand you to say that the "Donau" was a large, fine, new ship ?—A. Yes, sir.

Q. And that her cargo came out in good order ?—A. Yes, sir.

Q. Out of one hundred and twenty-three general-order tickets which you submitted to us here the other day, how many did you find marked "B. O. ;" that is, "bad order ?"—A. Twenty-three.

Q. What percentage of 123 is that ; over one-fifth, is it not ?—A. Yes, sir.

Q. Over 20 per cent. ?—A. Yes, sir.

Q. Let me ask you now, after all the consideration which you have given to this subject, would not so large a proportion of packages in bad order as one in five have attracted your attention in quite a marked degree, coming out of that ship ?—A. As I said before, they would not mine so much as they would my partner, who was attending to the checking of the packages.

Q. Of course, there's always a difference between men, which is regulated by the difference of the duty, whatever it happens to be, but still you had your mind generally drawn to that subject?—A. Occasionally.

Q. Is there any reason why the same rate of bad-order packages should not have run through the whole cargo as prevailed in the general order?—A. I do not know of any, sir.

Q. Would not so large a proportion of bad-order packages have undoubtedly attracted your attention?—A. They would, sir.

Q. Reviewing the whole subject now, can you say that you noticed any such number of bad-order packages?—A. I did not, sir; but, as I said before, they may have escaped my attention.

Q. Undoubtedly; I understand—you are testifying cautiously; and while you say that such a large number of bad-order packages would have attracted your attention, and you did not observe any such number, yet it is possible there was such?—A. It is, sir.

By Mr. PRATT:

Q. I would like to ask you one or two other questions. Would not the carman, when he came to load these packages on his truck, examine them much more minutely than you could inside of your office?—A. Decidedly, sir.

Q. Do you know, in this case, what carman may have receipted to the ship for twenty-three packages as in bad order; did you ever see the receipts?—A. No, sir.

Q. Is it not possible that a package after passing inspection at your window, may have been roughly handled upon the dock, in loading upon the trucks or unloading at the warehouse, so as to become broken?—A. It is possible.

Q. So that a package might be received as in bad order at the public store which was in good order when it passed your window?—A. Yes, sir.

By Mr. CASSERLY:

Q. You have stated that it was possible that after the packages passed your window, some of them might be damaged on the way to the general order?—A. Yes, sir.

Q. How do you think it is possible that so large a proportion as one in five should have been so damaged?—A. Well, really, I don't know much about carting.

Q. You don't know much about what might have happened to the packages after they passed your window?—A. No, sir.

By the CHAIRMAN:

Q. Now, the other point.—A. It is relating to the examining of baggage on the Donau.

By Mr. CASSERLY:

Q. State whatever occurs to you on that subject.—A. I believe, as I said, that it was unusual for the inspectors detailed on the ship to examine baggage. On this particular occasion—I remembered last night, on looking over and refreshing my memory, that I did examine the baggage of one passenger who came by that steamer.

Q. I don't conceive that to be of any moment. I understand you to say that your testimony was to the effect that the discharging-officer does not pass baggage?—A. Does not examine baggage, but I remember that the gentleman who was superintending, who was assigning inspectors to the examination of baggage, asked me to examine the baggage of the consul from Bremen. He was returning from Bremen to New York, and he was in a hurry, and I took his declaration and passed his baggage, as the other inspectors were busy at the time.

Q. Is the baggage of a consul considered as free, or only of a minister?—A. I don't know, sir. I examine the baggage of all parties coming from abroad.

Q. This was an American gentleman?—A. Yes, sir; he was our consul at Bremen.

Q. Is there anything in your duty as discharging-officer which prohibits you from examining passengers' baggage?—A. Not that I know of, sir.

FIFTH AVENUE HOTEL, NEW YORK, *February 1, 1872.*

WILLIAM D. PRENTICE sworn and examined.

By the CHAIRMAN:

Question. What is your business?—Answer. I am a custom-house agent and broker.

Q. Custom-house broker?—A. Broker and agent.

Q. How long have you been such?—A. A year and over.

Q. What do you mean by being custom-house agent?—A. I am not exactly a custom-house broker. I am the agent of the transportation company, engaged in forwarding goods under the immediate transportation law of 1870.

Q. Are you connected with the custom-house?—A. No.

Q. Have you been?—A. Some year and a half since, I was.

Q. In what position?—A. Chief clerk of the warehouse bureau and acting deputy collector of the third division.

By Mr. CASSERLY:

Q. How long ago?—A. Over a year ago.

Q. I thought you said a year and a half, just now?—A. Well, I don't recollect the exact date.

Q. Give it to me exact, won't you?—A. I left the custom-house, I think, in February of 1871.

By the CHAIRMAN:

Q. You say you occupied the position of—of what?—A. Chief clerk of the warehouse bureau.

Q. Did that give you a knowledge of the general-order business?—A. It did, sir.

Q. Of the warehousing business generally?—A. It did, sir.

Q. How long did you occupy that position?—A. As chief clerk, some five or six years.

Q. Are you familiar, then, with the warehousing business?—A. I believe I am, sir.

Q. Do you know anything about the transfer of the general-order business to Leet & Stocking, and when it took place?—A. It occurred at the time I was chief clerk of the warehouse bureau, and I believe I transmitted the orders from Mr. Grinnell to the proper clerks.

Q. Can you tell about when that was?—A. I have no recollection of the date of the transfer to Mr. Bixby's store—the original Leet business—but I recollect the time when Mr. Mason received the general order—a portion of it, when Bixby had it, and then finally when Leet & Stocking took possession of the whole North River business, including Hoboken and Jersey City.

Q. Can you make any statement as to the circumstances under which that transfer took place?—A. As I recollect at the time Leet & Stocking assumed control of the whole business, which occurred some time in September, a person named Mason held the larger portion of the general-order business in stores in Washington street. There was a defalcation took place in his store, and on the day that we were notified of that defalcation, Mr. Grinnell issued an order that no more goods go into Mason's store; that it be closed peremptorily. At the same day, during business hours, Mr. Grinnell sent for me and asked what was the nearest general-order store to Mason's store, to which general-order goods could be sent. I gave him Leet & Stocking's store, at Leroy and West, and I think the store at Greenwich street, as being the nearest general-order stores to the store of Mason & Co. He gave me a verbal order to send all general-order goods from steamships then discharging to the stores of Leet & Stocking.

Q. Did Leet & Stocking make application for it?—A. Not that I am aware of. They could not.

Q. Why not?—A. Because the fact of Mason's defalcation, I think, was not known outside of a very few parties in the custom-house at that time.

Q. Do you mean to say this was done by Mr. Grinnell without any suggestion from anybody outside, except merely to inquire what stores?—A. It was done by Mr. Grinnell without any suggestion that I am aware of. I think Mr. Grinnell at the time was not aware what stores would take this business that had lapsed from Mason's store.

By Mr. HOWE:

Q. You speak of Mr. Grinnell; was he collector at that time?—A. He was collector at that time.

Q. Are you sure it was Mr. Grinnell?—A. It was Mr. Grinnell, sir.

By Mr. PRATT:

Q. O, yes; it was about 1870?—A. Eighteen hundred and seventy or 1869.

Q. You are speaking now of the defalcation of Mason?—A. Yes, sir.

By Mr. HOWE:

Q. When do you say it was?—A. My memory does not serve me positively; it was during Mr. Grinnell's administration, and it occurred in September, either of 1869 or 1870. It was subsequent to the time that Leet & Stocking had the Leroy and West street stores.

By the CHAIRMAN:

Q. Do you know of any parties who solicited the business for Leet & Stocking?—A. No, sir.

Q. Do you think it was a sudden transfer, sir?—A. It was a sudden transaction and a sudden transfer. The store was closed immediately—peremptorily.

Q. Whose store?—A. The store of Mason. And it became a question what disposition should be made of goods coming out of steamships that day.

Q. And was the transfer made, or the order, in the middle of a business day?—A. Yes, sir; during business hours.

By Mr. PRATT:

Q. How long were you chief clerk of the warehouse bureau?—A. I think some five years.

Q. Did you remain in the bureau after the business was taken away from the Cunard and the German lines?—A. Yes, sir.

Q. You had an opportunity, then, of comparing the advantages of general-order stores upon the other side of the river and of general-order stores upon this side, had you?—A. I did, sir.

Q. Will you please give the committee the benefit of your opinion as to the benefits of the change—the advantages of the change?—A. The advantages, I think, were very fully stated in a report made to Mr. Grinnell from the warehouse bureau, prepared at Mr. Grinnell's request and suggestion, in his defense to the Secretary of the Treasury of his action in taking away, originally, the general-order business from the Cunard and Oelrich lines.

By Mr. CASSERLY:

Q. You mean the Cunard and the German lines?—A. Yes, sir.

Q. There are two?—A. Yes, sir.

By Mr. PRATT:

Q. Can you recall the reasons that were set forth in that report?—A. I think his argument was based upon two reasons, to state it in brief: One was economy to the Government and safety to the revenue, and then he added an abstract proposition, that everything else being equal this thing was a profitable business, that should be placed in the hands of Americans. I think that was stated in his argument.

Q. Was this change supposed to be a benefit to the Government?—A. It was supposed to be a benefit to the Government, because it would cost the Government less to cart general order, or rather order-packages, to public stores from Leroy or West or Washington streets than it would cost to cart them from Jersey City.

By Mr. CASSERLY:

Q. From the Jersey side?—A. Yes, sir. I am speaking now of packages which failed to be—amounted in time to several general-order packages, and would have to go to the public warehouse.

By Mr. PRATT.

Q. The warehouses of these lines, on the other side of the river, were near the piers, as I understand, so that nothing but trucks was necessary to transfer the packages from the dock to the warehouses?—A. They were upon the piers.

Q. Now, leaving out the cartage item, how do the charges of the proprietors of the general-warehouse stores on this side of the river compare with those on the other side in the items of storage and labor?—A. If my recollection serves me right, the charges in the Cunard and German lines were less than those upon this side for storage and labor alone.

Q. Do you know how much they amounted to on an average per package?—A. I think from 75 cents to \$1.

Q. How much more than \$1 or 75 cents were they upon this side for storage and labor?—A. They went from \$1 to \$1.50.

Q. Where it was \$1.50 didn't that include cartage?—A. Yes, sir; that included cartage.

Q. How much per cent. increase was there upon the items of storage and labor?—A. There would be from 25 to 50 per cent., naturally.

Q. That would be an increase of burden to the merchants, would it not?—A. Which do you refer to, the charge here?

Q. I mean the transfer of the general-order business from the Jersey side to this side. If there was an increase in the charges for storage and labor that would fall upon the merchants, would it not?—A. In regard to the merchants, Mr. Grinnell argued that since the cartage from Hoboken or Jersey City to the general-order stores on this side was done in bulk, in the aggregate—that is to say, the custom-house cartmen took all the goods, and took full loads to New York, that the cartage to the whole mass of merchants, all the importers, was less—the aggregate cartage was less than the cartage was to individual merchants who had to go across to Jersey City. There might be a truck that would pay double ferriage and get, perhaps, their single package back to their store in New York. He argued that if there were fifteen or twenty importers having each one case—fifteen or twenty packages constitute a cartload—and they each took one cart, that the cost to those merchants would be very much larger than

the cost to the same party had the Government or the custom-house cartmen carted those on one cart to the general-order store and divided that cartage among fifteen people.

By Mr. PRATT:

Q. How do the security of the warehouses of Leet & Stocking compare with those of the steamship lines on the other side of the river?—A. I consider the steamship warehouses as quite as safe one as the other. There is very little difference.

Q. No essential difference?—A. No essential difference.

Q. How were they in respect to convenience for receiving and discharging packages?—A. Their conveniences, I have always understood, and from what I could see and judge at both of those steamship lines, were very fair. The chief difficulty was in crossing the river; that, of course, affected both sides.

Q. Were they more convenient to the merchants than the warehouses now employed by Leet & Stocking?—A. I should judge not. The difference is very small, indeed. You can reach Jersey City, or reach New York from Jersey City, by two or three ferries that will carry goods to very nearly the same point as Leroy and West streets and Greenwich street.

Q. Had the warehouses on the other side of the river any advantages over those on this side in respect to dangers from fire?—A. That is a question that I really am not prepared to answer. I should think not. Any isolated building is, of course, less liable to fire than one that is surrounded by other buildings.

By Mr. CASSERLY:

Q. Then you think the security against fire is a little better on the Jersey side warehouses?—A. Yes, sir. I don't consider the question of security, or convenience of discharging, or anything else as being worth consideration at all.

By Mr. PRATT:

Q. Who was the collector at the time of this Mason & Co. defalcation?—A. Mr. Grinnell.

Q. Are you sure of that?—A. I am positive of it, sir.

Q. Do you remember at what time his term of office ceased?—A. I do not, sir.

Q. Do you remember when Mr. Murphy was appointed?—A. No, sir; I don't recollect that.

Q. Do you remember that the defalcation brought upon the Government on the part of Mason & Co. was along about September, 1870?—A. I recollect the month very distinctly, but the year I have not attempted to refresh my memory upon. I am not certain whether it was 1869 or 1870.

Q. Suppose it was September, 1870, who was the collector at that time?—A. Mr. Grinnell, I think.

Q. Are you sure of that?—A. No, I am not positive of that, sir.

By Mr. CASSERLY:

Q. You were clerk of the warehouse bureau at the time this trouble of Mason's occurred, were you not?—A. Yes, sir.

Q. You talked with the collector about the transfer of the goods from the Mason warehouse to another general-order warehouse?—A. Yes, sir.

Q. Did you talk to him more than once?—A. No, sir. There was no conversation; it was simply to receive his orders.

Q. I understood you to say that Mr. Grinnell's course was, not knowing where the Mason goods should come, to transfer them to Leet & Stocking's warehouse?—A. His language, I think, was to transfer them to the nearest. He asked me which was the nearest general-order store on the North River to the store of Mason's.

Q. What did you tell him?—A. I gave him the stores of Leet & Stocking, Leroy and West streets, and the 371, which were the only stores, I think, at that time, unless Bixby had something down town.

Q. You gave him the Leroy street store of Leet & Stocking and the Washington street store?—A. 371 Greenwich, I think, it is called. It runs through from street to street.

Q. It fronts on both streets?—A. Yes, sir.

Q. It is the same store?—A. Yes, sir.

Q. You say he did not know to what store the goods from Mason's warehouse should naturally fall?—A. That is my impression, sir.

Q. You were the clerk of the warehouse bureau—posted in the laws, regulations, and usages on that subject?—A. Yes, sir.

Q. Did you suggest to him at all that it was in his power to designate any warehouse of class 3 as a general-order warehouse?—A. No, sir; I did not. I presumed, of course, that he knew that fact. That is one of the first facts that would strike a collector.

Q. But you have just stated that, so little did he know of localities, he was not aware that Leet & Stocking's store was nearest to Mason's store?—A. That is my impression, sir.

Q. You state that you did not suggest to him the authority that he had to designate any other warehouse of class 3 as a general-order warehouse on this side of the city?—A. No, sir.

Q. There were others at that time on this side of the city?—A. There were a number of them scattered up and down both streets.

Q. Which might quite readily have been designated by him?—A. He has an inherent power to designate any store.

Q. He has complete authority on that subject?—A. Yes, sir; complete authority. In fact, it is his duty, when he is responsible for the safe-keeping of goods, to indicate a store; the law permits it.

Q. Where did you find Mr. Grinnell, at this conversation?—A. He was in his office.

Q. Had you more than one such interview?—A. No, sir.

Q. Did you ever speak to him again on the subject?—A. No, sir; I don't think I ever exchanged twenty words of conversation with Mr. Grinnell, as conversation. Simply when I was sent for I received his orders and executed them.

Q. Of course you had seen him many times?—A. Very many times.

Q. But you saw him only once on this particular subject?—A. Yes, sir; and never had any conversation with him on any ordinary subject whatever.

Q. Where was he that day?—A. He was in his office—in the office of the collector.

Q. At the custom-house?—A. Yes, sir.

Q. On Wall street?—A. Yes, sir.

Q. Are you quite clear about all the circumstances of that transaction in your own mind?—A. I am clear about the fact of his ordering the change of the stores, but as for dates—

Q. And that it was made by Mr. Grinnell as the result of his conversation with you?—A. As the result of his conversation with me.

Q. And on account of the trouble at Mason's store?—A. Yes, sir.

Q. You have spoken of that as a defalcation; was it a breach of trust, generally speaking?—A. It was a theft; it was an absolute steal.

Q. Perpetrated by them or allowed by them?—A. Perpetrated by Mr. Mason.

Q. Actually perpetrated?—A. Yes, sir; he changed the marks of cases in general order and delivered them to parties without the payment of duty.

Q. Was Mr. Grinnell's order to you verbal or written?—A. Verbal. The orders establishing stores were usually verbal. In very few instances did I ever receive a written order. Some were received, but usually Mr. Grinnell would simply say to either Mr. Williams or myself, "The general order will hereafter go to such and such stores."

Q. Upon his direction to you, given verbally, what did you do?—A. I ordered the clerk of the store-keeper, who has charge of entering all the general-order permits, to send all goods discharging thenceforward to the stores of Leet & Stocking.

Q. Was that verbal or written?—A. My impression is it was a written order, signed by himself.

By Mr. BAYARD:

Q. What was the date of that?—A. That was the same day that the order was given by Mr. Grinnell to me. I am not positive, however, about its having been written, it was so common to give verbal orders.

By Mr. CASSERLY:

Q. Do you know whether the orders designating the first store in which Colonel Leet had an interest—that is, Bixby's store—as a general-order store was in writing or verbal?—A. No, sir; I have no recollection of it.

Q. You don't know anything about it?—A. It was during my term, but my recollection does not serve me whether it was verbal or written.

Q. Previous to the Mason affair and the ordering of the general-order business to Leet & Stocking's store, were they verbal or written?—A. In some cases verbal and in some written.

Q. Why should they be in some cases one way and in some cases the other?—A. That I couldn't tell you. The collector would send to the deputy collector, and inform him that such stores were to be general-order stores; then the fact would be on the bulletin down stairs.

Q. Do you know how many orders Mr. Grinnell made of that kind, either verbal or written?—A. I do not, sir. I think he gave the general order in the first place to Bixby. Mr. Myers enjoyed it a short time after Mr. Grinnell went into office, and then Mr. Mason took a portion of it, and then Mr. Leet had a portion of it.

Q. Out of Bixby's store?—A. I am assuming that Mr. Leet was with Mr. Bixby in the Greenwich street store, from the testimony. Then, in September, came this order

making Leet & Stocking's stores the places of deposit of all general-order goods on the North River side.

Q. Including Mason?—A. Including Mason.

Q. From whom did you learn the trouble at Mason's store?—A. I think from Captain Chaoke, a special agent.

Q. Did you carry the news to Mr. Grinnell?—A. No, sir.

Q. Who did?—A. That I can't say.

Q. How long after you knew that did you hear from Mr. Grinnell?—A. I think a day or two elapsed between the time that I was aware of the fact of Mason's defalcation, as it was called, and this order. It was a very short time.

Q. Mr. Murphy testified before the committee which sat here in February of last year, before which committee you were a witness, I think, that it was he who gave the order to transfer the goods from Mason's store to Leet & Stocking's store.—A. I may be mistaken in giving Mr. Grinnell as the party. I recollect the circumstance very distinctly of the order coming, or getting the order.

Q. Mr. Murphy says, "After I had been in the custom-house some time—a month or two—rumors came to me that goods had left the general-order stores of Mason & Co. surreptitiously, on which the duties had not been paid." He further says, "On learning that fact I immediately ordered the store to be closed, and issued an order to have that store examined, and no more goods to be permitted to go in there whatever."—A. I shall have to correct my statement, then, if it was not Mr. Grinnell.

Q. I merely called your attention to it to show you how unreliable your memory is.—A. Well, so far as dates and names are concerned—

Q. [Reading from evidence taken before the committee of which Senator Patterson was chairman.] "Q. Who gave Mason & Co. the right to keep a general-order storehouse?—A. I presume it was Mr. Grinnell; still I do not know. All I know is that I found them in the general-order business. Q. Did you yourself afterward give to Leet & Stocking the entire business of the North River?—A. I transferred the goods from this store to Leet & Stocking's store, and they having the only general-order store on the North River, of course the goods had to be sent there."

The WITNESS. The goods from Mason's store, I don't think were transferred to Leet & Stocking's store as a fact. They were transferred to Leet & Stocking's control.

Q. That's not material; but you perceive now that it was Mr. Murphy, and not Mr. Grinnell, by whom all these details were transmitted to you as a subordinate officer. Do you still say that Mr. Grinnell, when you saw him about the transfer of goods from Mason's store, would receive the goods from Mason's?—A. I am convinced now that it was not Mr. Grinnell, since Murphy was in office. I can substitute for that the "collector of the port."

Q. But do you still say that the collector did not know that Leet & Stocking's store was the store that should receive the goods from Mason?—A. That's my impression, sir.

Q. Mr. Murphy says, "I transferred the goods from this store to Leet & Stocking's store, and they having the only general-order store on the North River, of course the goods had to be sent there."—A. The question was asked, what was the nearest general-order store?

By Mr. BAYARD:

Q. By whom was it asked?—A. By the collector.

By Mr. CASSERLY:

Q. But a while ago you were positive that was Grinnell all the way through?—A. Yes, sir; but—

Q. Now I have satisfied you it was Mr. Murphy. You know he'll remember whether it was he or Mr. Grinnell. I call your attention to the fact that you have stated that Mr. Grinnell, at the time, did not know that the goods from the Mason store were to go to Leet & Stocking's store as the nearest store?—A. Of course he could not, as he was not in office, as you demonstrated to me.

Q. But I also asked you if that was the reason given by the collector at the time, whoever it was.—A. There was no reason given, except the fact that Mason's store was shut up, that the ships were working, and goods to be sent to nearest general-order store. Mr. Murphy testifies that he was in office but a very short time, and it was very possible that he hadn't made himself aware of what stores were there.

Q. Don't you suppose he knows what he knows, as well as you do?—A. Yes, sir.

Q. He states that he transferred the goods from Mason's store to Leet & Stocking's store, and they having the only general-store on the North River, of course the goods had to be sent there?—A. Yes, sir.

Q. What do I understand you to say as to the charges in general order under Leet & Stocking, as compared with previous charges, for four or five years; are they less or greater?—A. I should think they were somewhat greater.

Q. Are you quite sure, now, that Leet & Stocking did not, in any way, desire the

goods from Mason's store to be sent to theirs?—A. I cannot tell what their desires were. I am not aware that they applied for it in view of the fact that Mason's store had been shut.

Q. Did you know whether they did or not?—A. No, sir; I do not.

Q. Then you wish your testimony to be that you don't know whether they applied or not?—A. Yes, sir.

Q. You say that the cost of transporting a package to public store from the Jersey side is greater than from the Leroy street store; how much greater?—A. I have forgotten now. I think that it costs the difference between ferriage—the difference was about the ferriage.

Q. I understood you to say that the point made by Mr. Grinnell was that the cost to the Government would be greater from the Jersey side than from the New York side?—A. Yes, sir; that was the basis of his argument at the time he made his argument to the Secretary of the Treasury.

Q. When did he make that argument or report to the Secretary?—A. It was made at the time two Department clerks were sent here by the Secretary of the Treasury to investigate the general-order business—Mr. Robinson and Mr. Evans.

Q. But the United States Government makes a contract annually for the transportation of packages to the public store, does it not?—A. Not that I am aware of, sir. They pay the cartage for each and every package brought over.

Q. You are not aware of that?—A. They contract for a certain rate, but they make no contract for the amount to be done. They contract with parties to carry for 35 or 40 cents a package all the goods carried.

Q. Keyes & Dean have the contract now, have they not?—A. I don't know, sir.

Q. Do you know whether any higher rate was charged by the contractors with the United States Government when there were stores on the Jersey side than the rates charged since?—A. No, sir.

Q. Do you know as a fact, or from any information of yours that you can speak from, what the cost of packages in quantities is from the Jersey side to the public store?—A. I can't give any opinion at this time. I don't know what it costs now.

Q. Are you quite sure that Mr. Grinnell made such a statement in his report?—A. That it cost the Government more?

Q. That there was a saving to the Government, in the case of transporting packages to the public store, by having the general-order stores at Leroy street and Washington?—A. Yes, sir; I am positive of that.

Q. Do you know if he had any information on which to rest that statement?—A. I presume he must have examined into the thing—investigated it, and found out that it did actually cost more.

Q. That is your presumption?—A. Yes; and I have also heard since that it did cost less—

Q. But you don't know anything about it?—A. Except the testimony I have seen of Mr. Tompkins, who stated that it did cost less than it did in previous years.

Q. Is that your only knowledge on the subject?—A. Yes, sir.

Q. Mr. Tompkins testified that, under the present system of contracting, it cost the Government less?—A. I took the newspaper abstract.

Q. Do you undertake to say that Mr. Tompkins testified as to the cost from the Jersey side as compared with the cost from Leroy street to the public store?—A. No, sir.

Q. Did you see it stated anywhere that he did say so?—A. The newspapers stated that the cartage cost less now than it had cost.

Q. That's true; but do you mean to say that anything was said by Mr. Tompkins as to the comparative cost from the Jersey side and from this side?—A. No, sir; I don't.

Q. Have you any information of your own, or any information of another, under oath or otherwise, upon which you undertake to rely as to that subject?—A. No, sir.

By Mr. PRATT:

Q. You were asked, about a year since, when you were examined before Senator Patterson's committee, this question: "Do you think the Grinnell system is more expensive than the old?" to which you answered, "No, sir." Did you, in that answer, refer to the change of general-order stores from the other side of the river to this side as the Grinnell system?—A. Yes, sir.

Q. Your opinion at that time, then, was that the new system inaugurated by Mr. Grinnell was not more expensive than the old?—A. Yes, sir.

Q. Do you adhere to that opinion?—A. I do.

Q. You were asked, "How, then, do you account for the complaints of the merchants?" to which you answered, "I think they follow a few leaders, like a flock of sheep. The gross receipts from the general-order warehouse for one year fall inside of \$120,000. The difference between the general-order charges and the ordinary warehouse charges would not amount to over \$30,000. The profits I cannot exactly say. I doubt whether the whole profits of the general-order business for the city of New York

are worth \$50,000 a year." Do you adhere to that opinion?—A. That was my opinion at the time, and is still. That referred, of course, to the preceding year.

Q. You were then asked, "Are there any advantages to the merchant in the present system over the old?" to which you answered, "I think these are advantages to them." Then follows this question, to which I call your particular attention: "What are they?"—A. The advantages, perhaps, are not immediate, and no particular merchant can say that he reaps advantage, but I think that the advantage to the whole mercantile community is considerable in this respect. For instance, when one of those steamships discharges her cargo, the goods are sent into general-order store, and perhaps of four hundred sent in, two hundred and fifty belong to large importers. Suppose A. T. Stewart, Chittenden, &c., owned the two hundred and fifty and the rest were in single packages to single merchants. Mr. Stewart, when he pays his duty, sends his cart over there and gets twenty or thirty packages and brings them over, and gets his storage, &c., divided among a large number of packages. The gross cost to him is small. Take Jones, who has a single package. He enters it here. He is forced to hire a cart, pay \$1.20 ferriage, besides what he pays for his cart to go to Hoboken or Jersey City, perhaps wait there a considerable length of time to bring his goods back, and it costs him far more to get his package to his store than it does after it is brought by the custom-house carman to the Greenwich street store. He has to pay more from Jersey City than he would if it was delivered from the New York store." Do you still adhere to those views, so clearly expressed?—A. Yes, sir; I think I have just stated that in brief to Senator Casserly.

By Mr. CASSERLY:

Q. What did you state to me?—A. A synopsis of what Senator Pratt read. I was speaking with regard to the benefit of Mr. Jones, for instance.

Q. I understood you to say, a while ago, that the charges under the general-order system of Leet & Stocking were higher than they were under the general-order system for three or four years previous.—A. I didn't understand you to say three or four years previous. I understood you to say "years previous;" of course they are larger than they were in 1860 or '62, '63, or '64. [Testimony of the witness heretofore given was at the request of Senator Casserly read to him, as follows:]

"Q. What do I understand you to say as to the charges on general order, under Leet & Stocking, as compared with previous charges for four or five years. Are they less or greater?—A. I should think they were somewhat greater."

Mr. CASSERLY, (to the witness.) How do you wish to correct your testimony on that point?—A. For the last few years I think they are greater than they were ten years ago or eight years ago. I have in my mind the time when Mr. Draper increased the general-order charges by the addition of, I think, 100 per cent. at first and 60 afterward.

Q. Well, we know about that, and that was not the question I asked you, as you see. Now, what do you say? How do the charges of Leet & Stocking, under the general-order system as they have managed it since they got it for the whole North River, compare with the charges in general order for the three or four years preceding?—A. I think it is said that they are higher than they were at certain times—equal to those they were at certain times. Certain individuals charged as high as now, others charged less.

Q. Take an average of charges of general order for the three or four years before the time of Leet & Stocking. How do Leet & Stocking's average charges compare with their's since Leet & Stocking have got the general order?—A. At the time I gave that testimony, I think their charges were the same that had prevailed from the preceding two or three years.

Q. No, no; I want you to answer the question, if you please. How do the charges of Leet & Stocking, since they have had the general order for the North River, compare on an average with the charges in general order for the three or four years preceding?—A. Your original question was four or five years. For the last three or four years, I think they were about the same—for the last three years. I think Mr. Livingstone charged—

Q. Now you say for two or three years you think they were the same. Won't you answer as to the three or four?—A. I think the charges are higher than they were four or perhaps five years ago.

Q. Do you adhere, then, to the statement that the Grinnell system is not more expensive than the old system?—A. The Grinnell system, as I understood it, was the change from Jersey City to the New York side.

Q. Merely that?—A. Merely that, sir.

Q. Well, I really supposed that was it all the time. I am perfectly willing to give you an opportunity to state it. Do you know what the gross receipts from general-order warehouses for the year 1870 were?—A. The calculation was made, I think, at the time Senator Patterson's committee was here, and I think my statement was based on that. It was not a calculation; an abstract was made from the books of the

number of packages that passed into the general-order stores. It was found to be 80,000 or 90,000 packages; taking that at the average price of \$1.50, I made that statement that the profits would perhaps be \$50,000.

By Mr. PRATT:

Q. Did that include all the general-order stores on East as well as North River?—A. No, sir; it had nothing to do with the East River stores.

By Mr. CASSERLY:

Q. You don't mean to say that in 1870 80,000 or 90,000 packages went into all the general-order stores on the North River?—A. They went into Leet & Stocking's store.

Q. For the most of the year 1870 they had the greater part of the general-order business on the North River, had they not?—A. No, sir; I think for the greater part of the year they did not have the greater part of the business. Mason had it up to September, 1870.

Q. Your statement is, as read to you by Judge Pratt and re-affirmed, that the gross receipts from the general-order warehouses fall inside of \$120,000. You say, "I doubt whether the whole profits of the general-order business for the city of New York are worth \$50,000 a year." Now, do you mean to say that your response then was confined to Leet & Stocking's stores?—A. No, sir; I think I had in my mind then the profits from the whole of the stores in New York. The profits on the East River side, Colonel Wood tells me, and others, was not over \$10,000 a year.

Q. Now, having in your mind the whole general-order business of the city, do you mean to say that the whole general-order business of the city for 1870 was at 80,000 or 90,000 packages?—A. That was my opinion—no, sir; I meant to say that the profits—

Q. No, no; you said that this was based upon an estimate from the custom-house books of 80,000 or 90,000 packages gone into general order for the year 1870, did you not?—A. No, sir. I meant to say 80,000 or 90,000 packages into Leet & Stocking's store.

Q. Why do you speak of Leet & Stocking, whereas your estimate was of the whole general-order business?—A. My estimate was upon the whole general-order business of the city of New York. My statement that 80,000 or 90,000 went into the store had reference to Leet & Stocking. I don't know what the whole general-order business was.

Q. Therefore you don't know what the profits of the whole general-order business were?—A. No, sir; I can only make an estimate.

Q. Then you don't mean to be understood that the profits of the whole general-order business, as stated in this testimony taken before Senator Patterson in 1871, were, for 1870, hardly worth, or it was doubtful if they were worth, \$50,000 a year.

Mr. PRATT. He didn't say for 1870, did he?

Mr. CASSERLY. I take what he says in that prior testimony: "The gross receipts from the general-order warehouses for one year fall inside of \$120,000." He now says that he meant the whole general-order business. He then says, after stating the difference between the general-order charges and the ordinary warehouse charges: "The profits I cannot exactly say. I doubt whether the whole profits of the general-order business for the city of New York are worth \$50,000 a year."

Mr. BAYARD. [To the witness.] I understand you to retire from that?—A. I do not retire from that statement in any way, shape, or manner.

By Mr. CASSERLY:

Q. What data had you for estimating the whole general-order business of the city of New York at any profits in particular?—A. The statement I have just given you of Colonel Wood in regard to the East River side, and the abstract from the books of the number of packages that went into the general-order stores on the North River side.

Q. What were the statements from the books as to the number of packages that went into the general order on the North River side?—A. That I can't give you. As I have just stated, my impression is that 80,000 or 90,000 went into Leet and Stocking's store.

Q. What do you say were the statements from the books of the custom-house as to the number of packages that went into general order on the North River side?—A. I can't give the number of packages that went in on the whole North River side.

Q. You have undertaken to swear now—I ask you what data you had for the statement that you have made heretofore, that you doubted if the whole profits of the general-order business were worth \$50,000 a year?—A. I had the data, as I have said, based upon the number of packages that went into store—data that I can't give you; I don't recollect it—and the statement made to me by the proprietor of the general-order privilege on the East River side.

Q. Do you remember about those now?—A. Nothing, except what I have stated that my impression was that 80,000 or 90,000 packages had gone to Leet & Stocking.

Q. How many were there based on the other general-order stores?—A. I don't really know.

Q. Then you are not able now to state any data that would justify your statement that you doubted whether the profits of the business amounted to \$50,000 for the whole city?—A. If I had the data I might. I can't state them now. More than a year has elapsed. I have had no occasion to refresh my memory in regard to that.

Q. Is your memory any better on that subject than it was on the question whether Grinnell or Murphy gave you the order to transfer the goods from Mason's store to Leet & Stocking's?—A. You refreshed it then.

At 10.15 p. m. adjourned to 10 a. m. Friday, February 2, 1872.

FIFTH AVENUE HOTEL, NEW YORK, *February 2, 1872.*

The committee met at 10 o'clock, pursuant to adjournment, when proceedings were resumed.

EDWARD C. JOHNSON, a witness, being duly sworn, testifies:

By Mr. BAYARD:

Question. State your business.—Answer. The storage business.

Q. How long have you been engaged in that business in the city?—A. About twenty years.

Q. When you say storage, do you mean warehousing?—A. I mean warehousing goods, both bonded and free goods, as we term it.

Q. Had you ever the general-order business in this city?—A. I had.

Q. During what time were you connected with it, and give a history of your connection?—A. I had the general-order business about the first that was ever given out, under Mr. Redfield, and I kept it along, and I think I lost it under Mr. Schell. Then I had it again under Mr. Barney. Mr. Barney did not give it to me; I did not get it direct from Mr. Barney; I got it, I supposed, from the superintendent of warehouses, the first that I had it. He was ordered by Mr. Redfield to put the city into districts, and to give it to the most responsible and best conducted warehouses. He gave it without any consideration of pay or anything of that kind.

By Mr. CASSERLY:

Q. Was Mr. Redfield before Mr. Schell?—A. He was before. Mr. John Lobdell was the superintendent of warehouses, and he did it all himself, I think, under Mr. Redfield's directions.

Q. Was not Mr. Redfield appointed under Mr. Pierce?—A. I may be mistaken as to the time—as to which came first.

Q. Mr. Schell was appointed under Mr. Buchanan?—A. Yes, sir. Mr. Redfield was nominated under Mr. Pierce.

By Mr. BAYARD:

Q. When did you have it next?—A. Under Mr. Barney. A man by the name of Lambert came down to the store and said it had been given to Mr. Henry C. Bowen, and he had got it from Mr. Bowen, and he wanted to sell it to us. As I did not know him and we were not going to buy a thing we did not know about, we made an arrangement with Mr. Bowen and Mr. Lambert both by which we should pay them 30 per cent. of the storage. That had nothing to do with cartage and labor.

By the CHAIRMAN:

Q. Pay to whom?—A. My contract was with Mr. Bowen and Mr. Lambert.

Q. How long did you hold it under that arrangement?—A. Only a few days. What was called the Van Wyck committee came up and somebody summoned me before it. I told them the facts. Mr. Barney asked me if I had been up there, and he asked me if I had sworn that he had sold it to me; and I told him that I did not know anything about Mr. Barney. Mr. Barney told me not to pay them any more, and I did not. I kept the general-order business for a long time after that, notwithstanding I did not pay them.

Q. How long did that run?—A. I cannot tell you, but I think it was more than a year that it run on.

Q. Then when again was it that you had it?—A. When Mr. Smythe came in. Mr. Smythe gave me the whole city.

Q. How long did you have it in that way?—A. Three months.

Q. Was that toward the end of his administration?—A. No, sir; it was the first part of it.

Q. Was that the last time you held it?—A. No, sir; it run on about three months

I divided the city up into districts, and Mr. Smythe said it was working well and there was no complaint; and all at once it was taken from me, what for I did not know, but I supposed it was because I did not pay, and I think so yet.

Q. You lost it then?—A. Yes, sir; I lost it. At that time he gave it to Messrs. Meyer & Smith. Mr. Smith came down to sell it to me again, and I agreed to give him \$5,000 a year for the district below Fulton street, on the East and North Rivers—my store is at a point between both rivers—and they gave me that district below Fulton street; and I was to give them \$5,000 a year—so much money—as Mr. Bixby swore he did to Mr. Leet.

Q. What proportion of the general-order business did you get for that \$5,000?—A. Very little of it indeed; hardly any in comparison to the whole of it.

Q. Were there general-order warehouses in Jersey City in addition to that?—A. Yes, sir.

Q. Also on the North River?—A. Yes, sir.

Q. And the portion for which you were to pay \$5,000 a year was a mere fragment?—

A. Nothing at all in comparison with the whole of it.

Q. How long did that continue?—That continued, I think, about six months. It may not have been so long; I cannot tell exactly.

Q. Let me ask you about this fact. At the time this fraction of the business was sub-let to you for \$5,000 a year what was the estimated value of the privilege among warehouse-men?—A. I offered to subscribe to the republican party \$40,000 a year if they would give it to me.

Q. At that time?—A. Yes, sir.

Q. That was what year?—A. Under Mr. Smythe's administration, in 1864 or 1865.

Q. The commerce of the port has immensely increased since then?—A. That kind of business has very much—the steamship business.

Q. Have you any idea how much it has increased—whether it has doubled?—A. Well, I should say double—as much as that. The steamships have increased and the sailing-vessels have increased.

Q. By the same ratio of value, if it was worth \$40,000 a year then, it is worth \$80,000 now?—A. Yes, sir. I offered Mr. Leet the other day \$60,000 for it if I could be insured to have it just as he has got it.

Q. When did you again take it?—A. I got it right off—I was going to tell you when you interrupted me with your question that broke off. Mr. Smythe gave that which I had on the North River to Mr. Livingston, and he gave that on the East River to me, without a cent of pay to anybody. I guess I kept it a week, and I wrote a letter to Mr. Smythe stating that I did not want it, and he would please not to send any more general-order goods to my store.

Q. Was that your last connection with it?—A. Yes, sir; that is the last I had to do with it.

Q. At the time you held the general-order business for three months you districted it?—A. Yes, sir.

Q. Had you the whole of the general-order business of the city proper?—A. Yes, sir.

Q. That did not include Jersey City?—A. No.

Q. That left the Cunard, the Hamburg and Bremen lines?—A. By themselves,

Q. You did all the work satisfactorily to the merchants?—A. There was no complaint.

Q. No complaint whatever?—A. Yes, sir; Mr. Bixby made some complaint.

Q. But he was a rival warehouse-man?—A. Yes, sir.

Q. He was not a merchant or importer?—A. No, sir.

Q. What were the rates charged then during that time you had the thing districted out?—A. In some of these districts I had sold out; I had no control over the rates; but in my own district, where my own store was under my own supervision, I charged the merchants the same that I took their regular goods for. I took more goods than anybody in the city of New York in that way. Sometimes when I thought that a package was a very valuable one, or that there might be danger, I charged more.

Q. Those were exceptional cases?—A. Yes, sir.

Q. State what the average charges were for merchandise which were satisfactory to merchants, and which you were willing to take?—A. That was in war times, and everybody was making money, and storage was scarce, and general-order charges were put very high.

Q. It is during the three months I am speaking of?—A. Those three months, I should say—the chamber of commerce had made out prices, and those were our regular prices then, or just the prices. Mr. Draper, when he was collector, authorized the general-order stores to charge 60 per cent. more than the prices on their schedule.

Q. More than bonded-warehouse charges?—A. Yes, sir; more than class 3 warehouses.

Q. What were your charges at the time, which were satisfactory to merchants

during the three months when everything worked so serenely?—A. The prices then, I should say, were 50 per cent. higher than they are now.

Q. They were at that time?—A. Yes, sir.

Q. That was during the high price of gold?—A. Yes, sir; I may be mistaken as to the dates, perhaps, but it was during the war, and just after.

Q. What was it when you held the business subsequently to that—what were the prices then?—A. It was right after that; it was in the same year, and there was not much difference.

Q. What were your prices? Let us know. You have gone into that; what were the chamber of commerce rates?—A. I can get you those rates if you wish; I think we have copies of them in my store; I know we have. I cannot remember them exactly; if you will mention an article I will tell you.

Q. Warehouse-men, who have been here, have given what they call the charges on the average-sized packages of dry goods?—A. I did not get many dry goods; they do not come in my part of the town, but I got a few. I got for them 50 cents a case for dry goods, where I get 20 now.

Q. What do you mean by that?—A. Fifty cents for storage, and nothing for cartage. Sometimes we do not pay cartage in the class 3 warehouses.

Q. Does it cost any more to cart goods to a general-order warehouse than to any other warehouse?—A. No, sir.

Q. Does it cost any more, when goods arrive, to handle them?—A. No.

Q. Does it cost any more for storage?—A. Sometimes, when they are going to go right out, you have to put them in a place where they will not be covered by other goods, by tiering them up. It takes, perhaps, a little more room, but if you have plenty of room it does not cost any more.

Q. In regard to storage, don't the packages succeed each other more rapidly in a general-order store than in an ordinary bonded warehouse?—A. I should be willing to take the general-order business at the same price I now have for regular storage, because I could make about six to ten storages a month. I could make—twelve times six—seventy-two months' storage a year out of them.

Q. The profit upon cartage is the chief profit in the general-order business?—A. No, sir.

Q. What is the chief profit in general orders. A. They make money on the cartage; they make money on the labor; they make 50 per cent., certainly; at Leet & Stocking's prices it is more than 50 per cent. on the labor. When they cart in a load—they allow them so much for a load—they take in the weight of a load and pay them for so many packages riding at that weight on a cart, and when it goes out it has always been the custom with bonded warehouses, unless it is their own customers, to charge cartage on every load at the rate of 50 cents.

Q. Do you mean every load or every package?—A. Every package. If a man rides fifty packages on a load they might pay the carman \$5, and they might charge \$25, because they would get cartage on every package.

Q. I understand you, then, that there is a large profit on cartage and there is profit on labor. I want to know in the matter of storage. You say that under the general-order system a man can make six times the storage?—A. In one month generally.

Q. That would be as if a year had seventy-two months?—A. Yes, sir.

Q. He could make that much out of the twelve months?—A. I want to explain that there are some months that there is not so much arrives as others, and it might not amount to that. Some months it is dull, but ordinarily enough comes in. Then, again, there is a great rush. Here is a couple of bills that I paid Leet & Co., if you will allow me to present them, as you understand a great deal better by reference to them. Here are two bills, each for five cases, both cases being of about the same size and weight. One of them is made out at \$6.25. I took the rates from there prescribed by the chamber of commerce and added 60 per cent. and all I could ever get out of them was about \$4.50.

Q. You say \$6.25 was the rate charged?—A. That was the rate I paid.

Q. And taking the chamber of commerce rate and adding 60 per cent. would be how much?—A. Four dollars and fifty cents. That is what Mr. Draper said was the rate to be added to the chamber of commerce rates.

Q. That was during the high price of gold?—A. No, sir; it was only a few days ago.

Q. I mean the 60 per cent.?—A. Yes, sir.

Q. The reason for that does not exist now?—A. I don't think it does.

Q. The other bill is for the same number of cases of the same size and weight?—A. Yes, sir; it is \$7.50. That would be \$4.50 with the 60 per cent. added to the chamber of commerce rates.

Q. How many cases are there?—A. Five cases.

Q. And \$7.50 in one bill when the amount of the charges under Mr. Draper's rates—when there was a depreciation of paper money—would be only \$4.50?—A. Yes, sir.

Q. That is just \$3 more than what would be allowable under Mr. Draper's rates?—
A. Yes, sir; \$3.

Q. And 75 per cent. more was charged than should be?—A. Yes, sir.

Q. What are the dates of these bills?—A. One is October 17, 1871, and the other September 15, or 18, 1871—both last fall.

Q. You say that the expense of carrying goods to one store is naturally no more than carrying to another?—A. Not a bit.

Q. Except the question of distance is considered?—A. Yes, sir.

Q. It costs no more to put in and out; and so far as storage is concerned you can fill the same space six times?—A. They are in and out. These are ordinarily there not more than one or two days.

Q. And the same amount of business can be conducted in a smaller space?—A. Yes, sir.

Q. Then how is it that general-order merchandise cannot be received at a less rate than any other?—A. It could be received at the same rate if you had as much business as they have, and it might be received at a less rate.

Q. You have stated the ratio of expense which is the same per package whether they go into one store or another, and the same for cartage and for labor, and you have stated that by reason of a quick succession of goods there could be more storage in the same space. If that be so, is it not a fact that the warehouseman could take general-order merchandise at cheaper rates than he can ordinary bonded merchandise, which he is obliged to retain for a full month?—A. I should think he could, if he did not have to pay for it to somebody.

Q. To whom?—A. To some outsider.

Q. If he was not mulct for the privilege, he could afford to do so?—A. Yes, sir.

Q. To take the goods at less money than they are taken by bonded warehousemen?—A. Yes, sir; I think he could do it if he had a monopoly of it.

Q. As it is now held—by one person?—A. Yes, sir.

Q. In the history of this port did you ever know the business to be put into single hands, as it is now?—A. Never; except in my own case.

Q. But when you had it, how many persons was it distributed among?—A. Five or six.

Q. When you distributed the business in that way, were not these various distributees brought into competition with each other?—A. Not in the general-order business.

Q. Why not?—A. They had their districts, and they had the goods from the ships that came in those districts. When a ship came into a particular district, the order was to send the goods into the general-order store in that district; they could not go out of it.

Q. They were confined to these stores?—A. Yes, sir.

Q. And they were subjected to the charges that those parties put upon them?—A. Yes, sir.

Q. Do you know of any reason why the Government should not be as secure in the receipt of its duties on merchandise sent under general orders if the warehouses were distributed throughout the city, and on the Jersey side of the river, at points adjacent to the various steamer-landings?—A. I think they would be a great deal more secure.

Q. If a distribution should take place?—A. Yes, sir; I never heard of so many stealings from carts in my whole twenty years of experience—losses of goods which the carmen or warehousemen ought to pay, whether they do pay or not. As I have heard since this new system of monopolizing it, and putting it into one or two stores has been adopted.

Q. You say there is no increase in the cost of the cartage of merchandise to the general-order stores upon the cost for cartage to any other store, and that there is no increased cost in the labor put upon a package in its reception and delivery; why is it that these charges have been so great?—A. It would be guess-work, on my part, to state; but I think I know the cause, but I do not certainly, about it. In the first place, ever since Mr. Barney's time, money has been paid for this general-order business. Mr. Smythe said it was a plumb for somebody, and that they were willing to pay for it.

Q. Then it is because they do pay moneys for the privilege that the business is saddled with this burden, and therefore becomes onerous to the merchants?—A. Onerous to the merchants, very.

Q. Is there any reason connected with this business that makes such a payment proper or necessary?—A. Nothing but to give somebody a job or something of that kind, to enable somebody to make money out of it.

Q. That is the secret of the value of the general-order business?—A. Yes, sir.

Q. With all these services performed in the general-order store, and with the costs no more than they would be in a bonded warehouse, except that the recipient of the privilege of general orders is compelled to pay somebody large sums of money, they have to make that up in the way of extra charges?—A. That is my opinion.

Q. Is not this matter of the general-order charges directly under the control of the collector of the port?—A. Every bit of it.

Q. Must or must not the collector of the port be a party in some way to such an arrangement?—A. If you will allow me a little digression I will tell you. The collector of the port of New York, if he were the smartest man in the world, could not attend to the business that they expect him to attend to in the custom-house in New York. In the first place there is a line of applicants for office from morning till night if he does not drive them away. They are always there in the morning besieging him for some place, and it is as much as one man can do to hear the applications and scrutinize the applicants. If anybody goes there to complain to him of these charges, he may have a large number of men ahead of him, and to save five, ten, or fifteen dollars, he cannot afford to wait all day. All the other collectors, until Mr. Murphy came in, gave these matters into the charge of the deputy collector in charge of the third division of the custom-house.

By Mr. CASSERLY:

Q. Mr. James?—A. That was before Mr. James came in. I never paid this deputy collector when I had the general-order stores, but I have seen notes which he sent to borrow money from others who were in the general-order business, and I have heard them say that they did so. I have seen the checks they have sent him to pay him money; and I have asked them what it was for. They said it was so that he would put these charges down against merchants' goods and slide them over and protract the consideration of their complaints.

By Mr. BAYARD:

Q. When did you have that experience?—A. While Mr. Meyer had this general-order business.

Q. Was that the only occasion when you had such an experience?—A. I had that experience while Mr. Meyer had it, for I was at Mr. Meyer's agent's office every day of the year, almost, and he showed me some letters from one of these deputy collectors, wanting to borrow money.

Q. Then the deputy collector was paid, in that case, to stifle the complaints of merchants?—A. They paid the deputy collector—that is my opinion.

Q. The object of paying the deputy collector was to prevent the complaints of merchants having any effect?—A. Yes, sir.

Q. Do you consider that this abuse of excessive charges is a thing that the collector could prevent?—A. He can do what he has a mind to.

Q. Can it exist without his approval and permission?—A. The collector has power to shut up any bonded warehouse in the city of New York. If we make an overcharge, he could shut the store immediately. He can order every single package of goods out of any bonded warehouse. He can do as he pleases. He can order a store to be shut up. He cannot order a warehouse to refund what they have received. For that the parties have a remedy at law.

Q. But he can prevent a repetition?—A. He can prevent a repetition of them.

Q. You spoke of the collector's time being taken up by listening to applications for office. Is there no time when the custom-house gets full so that there is no more to be appointed?—A. They say so, but I never knew the time that they were not there.

Q. What does this arise from—the continued ebb and flow of appointment, men being put out and put in?—A. I do not know. They make new appointments, sometimes. Some are put out and put in. They are changing all the time.

Q. Have you any knowledge or information on the subject whether the official power and patronage of the custom-house is used for party purposes?—A. They assess all these folks.

Q. How do you mean assess them?—A. Just before the election they say the rest have contributed 2 per cent. You contribute 2 per cent., and they all do it.

Q. Do you think these offices are given as rewards of party services?—A. They are given, mostly, for cheating at primary elections.

Q. The class of men who cheat at primary elections are the recipients of the public offices in the custom-house?—A. There are a good many of the men in the custom-house who are put there for that purpose; most of them because they have cheated somebody at some primary, and run some political machine somewhere for somebody's benefit. The great trouble with the custom-house is not that there are no honest men there, but because there are plenty of them—but because they are ignorant and incompetent.

Q. They are men chosen, not with reference to competency for their duty, but simply for their efficiency in primary elections?—A. They are not such men as anybody would put in their counting-house or store.

Q. You say that, in your opinion, that is the general rule in making appointments?—A. I say it is with half of them, or about that.

Q. Have you been present there often when these long lines of men have been waiting to interview the collector about offices?—A. Yes, sir.

Q. Were those men of the class that you have mentioned?—A. I was not acquainted with them much.

Q. By repute?—A. I should not put them in my store.

Q. Do you think that the Government business is to be efficiently managed as long as such a system of filling offices prevails?—A. It cannot be managed as safely nor as economically as long as such a class of men are in office.

Q. Do you believe that men are turned out of the custom-house for failure to perform this kind of party service, and that performing it brings others in?—A. I have known of such things. They have told me they were turned out for such purposes, because they didn't do so and so. I do not know whether they told me the truth or not.

Q. What was the so and so they did not do?—A. They went against a man at a primary election, or, perhaps, at some election they took grounds against a man and went against him.

Q. Have you heard much of that lately?—A. I have not been in politics so much lately, and I have not heard it so much.

Q. Have you reason to believe that the same order of things exists now?—A. It does in both parties. There is no mistake about that. Everybody knows it that knows anything about it. It is a state of things that has existed in both parties.

Q. Party service is the criterion?—A. For reward.

Q. And not efficiency on the part of the person to serve the public?—A. No, sir. That is not always so in the custom-house. There are a great many men there now who were born in the democratic party, and are democrats now, I think. They never go to primary elections, but they cannot do without them.

Q. Are they not what you may call the pivots of the concern, on which the business of the custom-house depends for accuracy and reliability?—A. Mostly they are. I do not mean that the democrats particularly are, but I say that the men who have been so long there, and are efficient and vigorous, are men of intelligence, character, and ability. It is so.

Q. They are mostly retained in order to carry on the business?—A. I think it would be a greater botch if they were not there.

Q. They are essential. The practical working of the custom-house depends upon the few men you have mentioned?—A. Mostly. I do not think the collector has much to do with the custom-house. I don't think he knows much about it. I don't think any collector does, because his time is taken up with running political machines; too much so to know as to the practical workings. Sim Draper came nearer to a knowledge of the details of the custom-house than any collector that I know, when he managed it.

By Mr. CASSERLY:

Q. He was not long there?—He was not long. He didn't listen to applications for appointments, and would turn them off in a minute. The rest would talk and listen to men, but he did not. If the Secretary of the Treasury writes to know about custom-house matters, of course the collector has got to go to these men and find out. He does not know, but his deputy collectors; and if his deputy collectors who write these letters, or give him the information, happen to be in the ring, probably the collector does not get all the information from them. When they do write undoubtedly they tell the truth, but they do not tell the whole truth. It is rather a hard case oftentimes for him to get the information.

By Mr. BAYARD:

Q. Do you think the commerce of New York or the convenience of merchants is aided any by the concentration of the general-order business in the two stores of Leet & Stocking?—A. During the whole of the twenty years I have been in business, I never heard so much complaint, and never saw the merchants so much against the system as they are now. I see an average, I suppose, of five hundred merchants a day, and I have not yet seen one who does not complain of it.

Q. Do you think these complaints are greater than ever before?—A. More numerous. If it was war times and they were charged these prices, I do not think the merchants would complain so much; but high rents have gone down, and storage has gone down, and labor has gone down, and they cannot see why general-order rates should not go down as well.

By Mr. CASSERLY:

Q. And has not the price of gold gone down?—A. Yes, sir; everything else in the world has gone down very much, but the general-order charges have not gone down any.

Q. In addition to that, you speak of a complaint on the score of the rates of charges, that they have not gone down at all with other things?—A. Yes, sir.

Q. In regard to concentrating the business into two stores, as it now is, does not that

give a longer distance for hauling from the public stores and the bonded warehouses?—A. Yes, sir. There is one cartage, and I should think two, certainly, on every package from Jersey City and Hoboken to the general-order stores. I do not know what price the carmen get for hauling loads over, but there is one cartage, certainly, more for the merchant to pay from Jersey City than if they had the general-order stores as they used to have them.

Q. How about the distance from the bonded-warehouse stores to the general-order stores?—A. It is a great distance.

Q. Is it or is it not far beyond the distance that it could be made to be if the general-order stores were at more convenient points?—A. Yes, sir; sometimes they have to send goods clear from the Battery up to these stores for two or two and a half miles and pay cartage, and then the merchant goes up and pays the cartage and pays for cartage back, when it would be a great accommodation for the merchant to have the general-order stores in the district where he is. It would be more convenient to have them distributed in that way through the city, as it takes one and a half hours for a merchant or his clerk to go up there to get the goods taken out and pay the charges. It costs time and labor. For three or four years merchants have been losing money, and they feel these losses very much, and a great deal more than if they were making money.

Q. Have you been a good deal on the wharves and docks in the course of your business?—A. Yes, a good deal.

Q. What do you know about the system of United States weighing?—A. I do not know any thing, only hearsay.

Q. Persons have stated here that merchants pay inspectors who are discharging ships frequently sums of money to keep their goods from going into general orders, and to retain the goods until they can get them into a bonded warehouse.—A. Yes, sir, the carman pays them. They do not call it "paying," however.

Q. What do they call it?—A. They call it "getting a hatchet."

Q. When they get their little hatchet what do they do?—A. I guess they take it from both sides, the general order men and from the merchant; one to have the goods sent into general orders, and the other to prevent them. I have heard carmen say they pay them, and I have heard merchants say they pay them, and I suppose they take pay from both sides, but I do not swear to that.

By Mr. CASSERLY:

Q. You do not swear to their paying?—A. I have heard inspectors say, "I have had a hatchet to-day." It is a common remark, as it is to say "good day."

By Mr. PRATT:

Q. Do you believe that to be the practice here at this port that these "hatchets" are received pretty generally?—A. I could not say as far as that. I have heard inspectors say they had got a "hatchet," and I have been advised when I had the general-order business to go down and give them a "hatchet;" but I never did.

Q. That was to hurry goods into general orders?—A. Yes, sir.

Q. And, on the other hand, the merchant pays to keep them out?—A. Yes, sir.

Q. And you believe sometimes that both pay?—A. I think so; that is, if you want to have my opinion. I do not swear to any such thing, for I do not know it.

By Mr. CASSERLY:

Q. You say you meet some five hundred merchants often in a day, and constantly their talk in regard to general orders is in the language of complaint?—A. Yes, sir; I do not think there has been a day but—

Q. Is not the excess of general order charges a matter of common repute?—A. Yes, sir; I have heard it every day.

Q. Have you any doubt that the collector knows about it?—A. I do not know whether this collector does.

Q. Did his predecessor in office?—A. He has heard of it.

Q. Very frequently?—A. I went to him myself. I told Mr. Murphy that I came there as a republican; that I knew what the scandal was about the general-order business, that the charges were excessive and the merchants were complaining, and that it was injuring the republican party more than all the other influences together; and I advised him to change it and put on the right track, and make it so that the merchant would not find so much fault.

By Mr. BAYARD:

Q. What was the reply?—A. He said he could not control it.

Q. Did he say why he could not?—A. No, sir. I didn't stop there any longer. I wrote him a number of times afterward, telling him of it, and telling him it was injuring us, and injuring our party, and I wished it might be changed some way so as to stop the scandal.

Q. You say Mr. Murphy told you when you made the statement that it was not in his power to control it?—A. That is the way I understood it.

Q. And at the same time you say that it is in the power of the collector to change it any moment by shutting up the warehouses if he chooses?—A. He can stop it.

Q. Then how do you account for his statement?—A. I do not account for it at all. I did not know what his motive was.

By Mr. CASSERLY :

Q. Do you know what influence was strong enough to justify Mr. Murphy in saying he could not help it, or whatever language he used?—A. That he could not control it. He said he could not control it, or change it, or something of that kind.

Q. Do you know what influence was strong enough to justify him in making that statement?—A. I do not.

Q. You have spoken of the collector not knowing of the general dissatisfaction with these charges in these general-order stores. Do you think that a gentleman who is fit for that place would not be very well informed on the subject?—A. You cannot get at him—you cannot reach him. You might by going and staying half a day and waiting to see the collector on the subject. It would not be the collector's fault, his not knowing it, because it would not be brought to his ear.

Q. You say the dissatisfaction is wide spread?—A. Yes, sir.

Q. The complaints are general?—A. Yes, sir.

Q. Is not the fact a notorious one here in the city of New York that there is dissatisfaction and complaint?—A. Everybody knows it who reads the newspapers.

Q. Do you think, then, a collector who is fit for his position can escape knowing the fact?—A. He sees but few merchants comparatively.

Q. Why should it be that that man, of all others, who ought to know the fact, is the man who knows the least?—A. I do not know but he does know; I presume he does see, or has the general run of it; but the immensity of his duties is such that he, perhaps, thinks some other things are more important, and does not attend to it.

Q. Is it your judgment that the question of rewarding men for services at primary elections is more important than hearing the complaints of merchants in reference to these general-order charges?—A. I do not say what I think about it. I said that I supposed that the collector might think some other things were of more consequence.

Q. What other things do you refer to?—A. He has letters, I suppose, to write to Washington every day, and to see this immense amount of people and hear their applications. If you would stay an hour or two at his office I think you would see very little business that he could do, for he has not time to attend to half of it.

Q. You don't mean to say that he has not time to attend to a subject so serious as this matter of the general orders?—A. I think he ought to; that is my opinion. I would like to speak of a matter that Mr. Miller spoke of the other day. Until within a few years, when goods came into store either in general orders or in warehouses, we paid cartage and labor on those goods, and paid rent, which amounts to the storage on them. The Government, at the expiration of the time, would take them and sell them, and pay duties first off and then the general orders or warehouse charges. The Government takes the goods out of the store where they have been stored for three years; for we cannot sell the goods, we cannot sue the parties for the storage, or attach the goods. We have no control over them whatever, and we cannot get rid of them, but the Government takes them out, sells them, pays its duties first, and, although we have paid money on those goods, we have no redress for the money we have advanced and for keeping them safely for the Government. It is one of the first principles of the common law that you lawyers well know, that a carman has a lien upon the goods for his cartage first off, and that a warehouseman has a lien for the storage second.

By Mr. BAYARD :

Q. This operation the Government overrides?—A. Yes, sir. I desired to call your attention to it, as I thought you might inquire into it with a good deal of interest. When I had the general-order business last a number of casks of barytes came into my store. I tried to get rid of it, but I could not, and had to keep it; but in general-order goods the expenses are paid before the duties, whereas in warehouse they are not.

Q. Then the general-order store has that advantage?—A. Yes, sir. They remained in the store until the charges amounted to between \$6,000 and \$7,000; the Government sold them for \$1,075, and they paid commission and for advertising, out of that, \$188.

Q. The auctioneer's charge?—A. The auctioneer's charge, which is about 18 per cent., or 15 per cent., certainly. I cannot see any reason why the auctioneer, who has not paid out any money, should be paid at such a rate, when those who have paid out money on those goods are not fully reimbursed, and particularly when you can get one hundred auctioneers in this city to do the advertising and selling the goods at 5 and 6 per cent.

By Mr. STEWART :

Q. How did it come out of you?—A. In the case of general-order goods the charges must be first paid.

By Mr. BAYARD :

Q. The cartage, storage, and labor are first paid?—A. Yes, sir.

Q. And the Government comes in next?—A. Yes, sir.

Q. Unclaimed goods are sold at the end of one year?—A. Yes, sir.

Q. So that the charges cannot accumulate beyond that time?—A. No, sir.

Q. But in bonded goods the regulation of the statute is for three years?—A. Yes, sir.

Q. And by that time the accumulated charges are very great?—A. Very great.

Q. You say your bill was what?—A. Six thousand or seven thousand dollars.

Q. And how much did you receive?—A. Eight hundred and eighty-seven dollars.

Q. How many packages?—A. Four hundred or five hundred.

Q. And the charges reached \$6,000 or \$7,000?—A. Yes, sir. They staid in three years, I think; that was the law, and you could not get rid of them, and could not sue anybody.

Q. How was this merchandise sold?—A. It was kegs of barytes, which was to be mixed with paint. It is a fraud.

By the CHAIRMAN :

Q. Is it ground stone?—A. Yes, sir; to be mixed with paint.

By Mr. BAYARD :

Q. How was it sold?—A. I knew if they carted it up to the sale that the cartage would amount to so much that if they took it out first we would not get a cent; so I went to the collector and told him that that should be sold by sample, and he directed that a number of samples from the casks should be sent up and it should be sold from them.

Q. Where were they weighed?—A. I do not know.

Q. Did the man buy the barytes without knowing how much they weighed?—A. I do not know.

Q. You say these barytes were imported. Do the importers pay freight on them after they leave your store?—A. I do not know that the freight was ever paid on it.

Q. Do you think it comes in ballast?—A. I think it went under general orders. They didn't pay freight.

Q. Why was not that sold at the end of the year?—A. It was not in force then. That law has been enacted since.

Q. How long ago was this?—A. Three years ago that the law was passed. I think under Johnson, my namesake.

Q. "Andy?"—A. Yes, sir; I think it was; if I am not mistaken, I think Governor Morgan introduced the bill which became a law three years ago.

Q. Had the purchaser of that property a knowledge of the value of what he was purchasing?—A. I do not know the purchaser. I do not know what he knew about it.

Q. Did you see the catalogue?—A. I see almost every catalogue of the public sales.

Q. I ask whether the catalogue of that lot of barytes, in which you had a large interest, described the amount or weight of the merchandise sold?—A. It did not.

Q. What is the advantage of making a catalogue which does not disclose the true facts?—A. It don't disclose the contents of a single package, and I don't remember ever seeing one that did disclose the contents.

Q. What is the practical result of making sales of these "pigs in the poke"?—A. The practical result is that they take them to the sales-room, they open them, and they are handled and examined, and some are missing; and I have heard that some of them would have good goods taken and inferior articles substituted in their place.

Q. That is where they did take them out to be examined?—A. They are examined first by the appraiser.

Q. Are these barytes sold by weight?—A. Yes, sir.

Q. Was this invoice of barytes that you held weighed at all?—A. I do not know about that.

Q. The purchaser had to buy them without knowing what he got?—A. I do not know whether he did or not. They sold it by the package.

Q. You say "they;" you mean the custom-house authorities?—A. Yes sir.

Q. Do the merchants sell the same thing by weight?—A. They sell by weight.

Q. The result is that this advertisement is a hollow sham?—A. I do not know whether it is intentional on the part of the custom-house officers, but I think in practice it covers more than it exposes the articles to the view of the people.

Q. You speak of the intentions of anybody—I cannot read those intentions, but I can read the result of the fact, and I ask what is the result?—A. The result is the catalogue does not amount to anything; it rather confuses a person than anything else.

By Mr. PRATT:

Q. Is not every package opened and appraised before it is advertised for sale?—A. Yes, sir; by the appraisers. They are sent down there.

Q. The presumption therefore would be that the appraisalment was correct?—A. Yes, sir; I should think so.

Q. Then if the package is not depredated upon, there is in it at the time of the sale everything that was in it at the time of the appraisalment?—A. Yes, sir; if it is not changed or depredated upon.

Q. It is opened, is it not, for the purpose of inspection by every person who wishes to become a purchaser?—A. Yes, sir. They give away a catalogue to everybody who desires to purchase, and the party wishing to purchase can go and look it over and examine it.

Q. Are the packages sold for what they will bring, or are they not sold under the appraisalment?—A. They are sold for what they will bring, without any regard to the appraisalment.

Q. If any man is cheated, is it not his own fault, after he has an opportunity of inspecting the packages that he wishes to buy?—A. It is his own fault. He buys at his own risk if he buys what folks call a pig in a poke.

Q. Then the only opportunity of fraud is in depredation upon packages after they are appraised?—A. Or before.

Q. But if they are plundered before, the appraiser would see the loss, would he not, and would appraise what is left?—A. He would not know what was in it when it came to the auction-room.

Q. But at the time it is appraised he knows.—A. He knows; but he does not know what has been taken out before.

Q. He appraises only what is in it?—A. Yes, sir; that is all.

Q. Then the only opportunity of cheating on the part of the purchaser, or of plundering the purchaser, would be—A. The purchaser would not want to plunder, for he has got it.

Q. I say the only opportunity of the purchaser losing from the package being plundered is after it has been appraised by the appraiser?—A. It might be plundered between the time when the appraiser appraised it and the time when the purchaser bought it.

Q. But if it had been plundered at the time the appraiser appraised it, he would appraise what he observed?—A. Yes, sir; and then they might take the rest of it.

Q. How could they?—A. I don't know. The room is open, so that everybody goes in and and out as they please.

Q. Are not these packages under the eye of a custom house official?—A. They are supposed to be.

Q. You spoke about general complaints against the general-order charges. I will ask you whether there has ever been a time since this general-order business was given to individuals when there were not complaints against those charges?—A. I don't think there has ever been a time but what there were some complaints. But the rates of storage, labor, and rents have come down so much they don't see why those rates should not come down.

Q. Has there ever been a time when the general-order charges did not exceed those of the bonded warehouses?—A. While I had it I charged my customers the same rates exactly, except for valuable goods.

Q. What were the rates you charged?—A. If you will mention any article I will tell you.

Q. What were the general rates of charge upon average packages?—A. They were a good deal higher than they are now—as much as 100 per cent. higher.

Q. Were there complaints against your charges then?—A. Once in a while.

Q. Do you think they were well founded?—A. Never. There was one case where there was a charge made of \$10 for some little cases of about 30 cubic feet. They came in just before dark. They belonged to Landman & Kemp. They were 31½ inches long, 15 inches wide, and 12 inches thick. Mr. Bixby got it published in the Journal of Commerce that we were paid \$10. At that time we were getting \$1 a case for dry-goods, and we didn't have many dry-goods. These came in after dark, and our folks thought they were dry-goods, or something of the kind, and they charged \$10 for the ten cases, thinking they were dry-goods. They came the next morning after these goods and told us what they were. Their clerk had been in the morning and got them, and they paid \$1 a case. Mr. Landman came the next morning and said he thought we had made a mistake. We charged 10 cents a case. The fact of the charge, in the first place, was published in the Journal of Commerce, and there was a great cry made over it. We asked Landman & Kemp to contradict the statement for us. They said that they had been in the newspapers enough, and they did not want to get into newspapers any more.

Q. You charged \$1 a case?—A. Yes, sir; but I settled at 10 cents a case. We didn't know what the packages were when the bill was made out.

Q. Did that include cartage, storage, and labor?—A. I think it did. They were customers—at 10 cents a case, I think. If they had been cases of dry-goods it would not have been too high at that time, but it would be too high now, because everything has gone down.

Q. I understood you to say that you come in contact with five hundred merchants?—A. About that every day.

Q. Are there that number of importers in the city of New York?—A. I think there are ten thousand. I may not be exactly right about that.

Q. But you come in contact with five hundred of these importers every day?—A. Every day.

Q. And they complain of the general-order stores?—A. Not all of them.

Q. I understood you to say that all of them did complain. What proportion of the five hundred enter complaints to you daily?—A. Sometimes one, sometimes another, and sometimes five or six. I have been in a room where there were twenty or thirty of them making complaints at the time.

By Mr. CASSERLY :

Q. Did you say that many of them enter complaints to you?—A. Yes, sir.

By Mr. PRATT :

Q. What is the character of those complaints?—A. High charges.

Q. Anything else?—A. That the general-order stores are too far up; that they have to cart the goods up there, and cart them back.

Q. Have there been any complaints of depredations upon packages by stealing?—A. Yes, sir; I have heard those.

Q. Since Leet & Stocking have had the business?—A. Yes, sir.

Q. Who have you heard complain that packages were either stolen or plundered?—A. I have heard Mr. Fowler, of Paddock & Fowler.

Q. What did he lose?—A. A large quantity of figs were taken out of the packages, he said.

Q. In the general-order stores?—A. Yes, sir; he said so.

Q. When did that occur?—A. I should think a month or two since.

Q. What other person beside Mr. Fowler have you heard make similar complaints?—A. I heard Mr. George W. Alburdis.

Q. What had he lost?—A. He had lost in the appraiser's office, or somewhere else, two dozen penknives that were taken from the cases.

Q. I was talking about general-order stores, and I asked who you had heard complain as to losses?—A. I have heard others complain, but I cannot remember the names particularly.

Q. How many persons have you heard make complaints?—A. I have heard a great many, but I cannot remember their names.

Q. You can remember no one but Mr. Fowler?—A. I cannot at this moment, but if I could go away for half an hour I might think of many. In fact, I cannot call names. If I should go down town for an hour, I might not remember yours, [Mr. Pratt's.] I am very deficient in my memory of names.

Q. Did they know that their losses had occurred in general orders?—A. I don't think they knew it. I know they made a claim against them, but I don't think they knew it certainly. The case passed through the carman's hands, and it may have been robbed on the cart or anywhere else. They cannot tell where it goes.

Q. What, in your judgment, with the knowledge of the complaints of the merchants that you have spoken of, would be a fair charge in general-order stores for storage and labor per package?—A. Well, sir, if they would give me the whole, and I didn't have to pay anybody for it, I would take it at just the same rate as I take other goods.

Q. At what rates do you take other goods in your warehouse?—A. I take dry-goods, all cases, large and small, for my customers at 15 cents a case.

Q. Fifteen cents storage?—A. Fifteen cents storage and fifteen cents labor; they cart for themselves.

Q. That would be thirty cents a package?—A. Yes, sir.

Q. Did you ever do business as low as that when you had the general-order business?—A. No, sir; I didn't do my own business at that low price. Prices were very high when I had the general-order business.

Q. Are the men engaged in bonded warehouses now making money?—A. I don't think they are, as a general thing.

Q. Do you know what the general rate of charges in bonded warehouses for storage is?—A. Yes, sir; I can tell if you will name the things to me. Where we used to get 2 cents for raisins, we now get 1 cent; where we used to get \$1.50 for a crate of crockery, we now get 30 cents; where we used to get \$1 for a case of dry-goods, as I have told you, we now get from 15 to 20 cents; where we used to get for a box of almonds, which are costly, 2½ cents, we now get 1½ cents; where we used to take opium for \$1 a case, and which being valuable is put in a separate apartment, we now get 30 cents.

Q. At these rates, are the proprietors of bonded warehouses making any money?—A. I don't think they are, because there are so many of them, but if they had all the business they could do they would make money.

Q. What rate should they charge to make a fair living profit?—A. It depends upon the rent they pay, and it depends upon the party's ability to run a warehouse. I have seen merchants set up right by the side of me, having the same amount of business I did, and fail in a year, and that, too, when prices were high.

Q. What year did you first engage in the business of keeping the general-order stores?—A. It was under Mr. Redfield's administration; I cannot tell the exact year.

Q. Who was President at that time?—A. I think it was Pierce. Taylor was elected in 1848, and Pierce in 1852.

Q. What were your charges upon the average for storage and labor per package?—A. My opinion is that they were little if any over the regular charges for warehousing; that is my opinion.

Q. I want to know what those regular charges were?—A. They were charges established by the chamber of commerce.

Q. But I don't know what those charges were.—A. If you will give me that red book that I saw here the other day, I will show you what they were.

Q. Can't you give me an idea of the general rate of charges at that time?—A. They were higher than they are now.

Q. In 1852, 1853, and 1854?—A. Yes, sir.

Q. Higher for storage?—A. Yes, sir; for warehousing.

Q. And for labor?—A. Labor was lower.

Q. Do I understand you that you charged for general-order goods in 1852, 1853, 1854, a larger storage than Leet & Stocking are charging now?—A. No, sir.

Q. What do you mean to be understood?—A. I mean to be understood as I said. I said that the rates of storage at that time in warehouses were about what the chamber of commerce had fixed them at, except when we made a contract with a merchant, and I think that the general-order goods were but very little more.

Q. That is what I am trying to get at—the rates of general-order goods?—A. If you will mention the articles—I cannot remember, for my attention has not been called to it for twenty years, and I cannot remember such things as long as that.

Q. Say packages of 25 or 30 cubic feet?—A. They were higher than they are now.

Q. The general-order charges were higher than they are now?—A. No, no; the warehouse charges.

Q. But I am speaking of the general-order charges. I want to know how they compare with the general-order charges at that time?—A. I cannot remember now about how the charges were then.

Q. Did you make it profitable to keep the general-order stores?—A. Certainly I did.

Q. Were there any complaints against your charges at that time?—A. I don't remember of any, but there might have been.

Q. How much in advance were they upon the general warehouse charges?—A. I cannot tell.

Q. As much as 50 per cent.?—A. I don't think they were; I don't remember anything about it.

Q. I understood you to say that you never heard of as many stealings of goods by carmen as since this monopoly?—A. I never did. I may have been misinformed. I don't say that it is so. I don't swear to these stories.

Q. What have the keepers of the general-order stores to do with the stealing?—A. I don't think they have anything to do with it unless they are stolen out of their stores.

Q. Do you know of any instance where goods have been stolen out of the general-order stores for the last year?—A. I don't know; I only hear these things.

Q. Do I understand you to say that no more labor is required to be bestowed on goods received in a general-order store than in an ordinary warehouse?—A. I don't think there is a particle.

Q. Is there not a necessity for keeping a large force of men employed at the general-order stores?—A. No, sir; I don't think there is without you make a monopoly of the business; then you have to have more men to do a great business than to do a small business.

By Mr. CASSERLY :

Q. The number of the men would be less in proportion as the business increases?—A. It would all the time.

By Mr. PRATT :

Q. Would they not have to keep a certain number of men for an emergency, so as to be able to receive all the goods that come?—A. No, sir; there are plenty of men standing all the time who are ready to work, but I will say that the best way to conduct a bonded warehouse, in my opinion, is to keep the same number of men and not hire outsiders.

Q. You spoke of a certain deputy collector having received money from the keepers of the general-order stores?—A. I spoke of his borrowing some money.

Q. Which money was given him in order to stifle the complaints of the merchants. When did that occur?—A. That was during the time that Mr. Meyer had the general-order business.

Q. What year was that?—A. I cannot tell you, but it was during Mr. Smythe's administration.

Q. It must have been under Andrew Johnson's administration?—A. Yes, sir.

Q. Is that deputy collector still in office?—A. No, sir.

Q. What is his name?—A. Will you excuse me from giving his name; if he were a friend of mine, I would not hesitate, but he is a bitter enemy, and I don't want to be subjected to anything he might do. You can find out his name.

Q. What evidence have you of his habit of borrowing money?—A. I saw the notes sent around to borrow money, and I asked Mr. Meyer's agent; he said he had paid him a great deal of money. He said, "Look here, see how we are beat. You see this amount of money we have paid or loaned," whatever it was. I asked him if he was not going to get it back; he shook his head.

Q. Did you ever have any employment in the custom-house?—A. No, sir.

Q. What knowledge have you of the employés in the custom-house being compelled to contribute?—A. I go there myself every day about.

Q. Do they complain of the exactions that are made for political purposes?—A. Most of them pay it very cheerfully. Many of them complain for they are very poor, and have large families, but they understand they have got it to do when they go there—they estimate their salary less that deduction. It is an unwritten and unsaid contract which they enter into, and I don't see that they have any right to complain about it.

Q. Is it understood that they all contribute?—A. Every one.

Q. What information have you as to the penalty, if any one should be unable to contribute or refuse?—A. I don't know anything about that.

Q. Who levies this contribution?—A. Sometimes one and sometimes another. I don't think there is any man who is specially appointed for it.

Q. Do they contribute in any other way or to any extent greater than outsiders who have no connection with the custom-house?—A. There are outsiders who contribute. A great many republicans contribute. I do as a member of the republican party and because I am a republican.

Q. Is it an exaction in the custom-house?—A. I don't think there is an exaction; I think it is an understanding they enter into. They all do, and they all pay it.

Q. What knowledge have you that there is such a contract?—A. I say it is an unwritten and unsaid contract.

Q. If it is an unwritten contract, how do you know that it exists at all?—A. I don't know that it is a contract; it is an understanding.

Q. How do you know that it is an understanding?—A. Because they all do it; they say thus and so.

Q. Who says thus and so?—A. Every employé in the custom-house; I have talked with a great many of them about it.

Q. How long has that existed—that system?—A. Under all administrations, democratic and republican, and even under Johnson.

Q. So that there is a rigid impartiality?—A. I think so.

Q. You think that positions are given away in the custom-house because of a man's ability to cheat at the primary elections; how do you know?—A. I used to be very intimately connected with politics—I have been in the republican party ever since it was organized—and I used to attend the primary elections, and I used to see those folks who carried the primary elections always getting places in the custom-house or some other place.

Q. Did that practice prevail under all administrations?—A. All of them.

Q. Democratic as well as republican?—A. Yes, sir.

By Mr. CASSERLY:

Q. You do not attend democratic primary elections?—A. Yes, sir; I have done that, too. [Laughter.]

By Mr. PRATT:

Q. And you say that all the men who have cheated at primary elections receive favor politically?—A. I will not say all. They cannot appoint them all. There is at least twenty-five thousand of them in the city.

Q. The most conspicuous of them are selected for custom-house appointments?—A. I mean to say that those who carry the gang along—not the real thieves themselves, but those who manipulate—slip a half dollar into their hands when they want them to vote, and then see that they vote.

Q. Such men are appointed to responsible positions in the custom-house, without

reference to their qualifications?—A. I do not say entirely without reference, but my opinion is that that is the chief consideration that puts them there.

Q. I understand you to say that one-half of the men appointed to positions in the customs service are men such as you would not put in your store or counting-room?—A. I do say that.

Q. Will you please give the committee some facts upon which you base so general a conclusion?—A. I do not know as I can.

Q. Will you tell us to what position such men are appointed, who would not be employed in private life by a prudent business man?—A. Some are inspectors, some are one thing, and some are another.

Q. You think that at least one-half of the appointees in the customs service belong to this class of incompetents?—A. Yes, sir; that is the class that run the primary elections.

Q. Do you refer to the past or present?—A. From the past all the way down; I have not attended primary elections for two or three years past.

Q. Do you know anything about the competency and fitness of the present inspectors of the custom-house?—A. I do not know anything about them.

Q. Do you know anything about the competency of the men who are in the appraiser's department—the assistant appraisers and examiners?—A. As far as the head appraisers are concerned, I know them. I think they are about as competent as any men I ever knew in the appraiser's office.

Q. How is it with the assistants?—A. I do not know the assistants.

Q. How with the examiners?—A. I do not know the examiners.

Q. Why, then, do you say they are such men as no prudent person would put into his store?—A. I know them, generally. I do not go in the appraiser's office. The ones I speak of are in the custom-house.

Q. Why do you make this general charge, without knowledge and information?—A. I have knowledge about it.

Q. Put your finger upon a man in the appraiser's department.—A. I cannot tell the names of those men. I cannot give the names, and I could not, if I would.

Q. Do you know of any dishonest or incompetent men in the appraiser's department?—A. No, sir; I do not know exactly that they are dishonest; I do not say they would steal.

Q. Do you know there are any such men employed in the appraiser's department?—A. I said the custom-house.

Q. Is not that a branch of the customs service?—A. I do not know whether it is or not.

Q. You do not know whether it is a branch?—A. I think the collector has control of it. I think the head appraiser is the general manager of it, and I think he is appointed by the Secretary of the Treasury, the same as the collector is.

Q. Name one party there in that department that is incompetent.—A. I used to be in there some considerable, but since then there has been a great change in the appraiser's department, and I don't know who is there now, but it used to be so.

Q. Do you know anything against the character of the department as it is filled now?—A. I do not know. I am only speaking of what has been, and from the sayings of customers of mine.

Q. Was it the same under democratic administration?—A. Yes, sir; just the same thing.

Q. And now as to the weighing department.—A. I do not know anything about it.

Q. Do you know whether any incompetent or dishonest men are employed as weighers?—A. I do not know as they are now, because I do not know them. They have been changed lately. I do not know that there are any incompetent or dishonest weighers of my own personal knowledge. I only know what I hear in the way of rumors.

Q. Now, we will come to the clerks in the custom-house. Do you know anything about their competency or honesty?—A. There are a great many incompetent clerks in there. You do not want me to give you their names. Everybody knows it; it is common rumor, but I do not want you to ask me to give the names. They are poor, and if I mention names it will subject them to an examination, and make a great fuss, and they may lose their places; hence, I do not want to specify them. I am only speaking generally of the custom-house in the matter of filling the offices, and not particularly of any one person. I know it just as well as one can know. There are a great many things that I know that I cannot tell exactly how I got my information. It is only from personal observation.

Q. Don't you want these incompetent or dishonest men in the custom-house to leave their places?—A. I said incompetent and ignorant men. I did not say dishonest.

Q. You don't impeach the honesty of any of the customs officials?—A. I don't impeach the honesty of any of them, because I do not know anything particularly against them. A man is supposed honest until he is proved dishonest.

Q. But you do impeach their competency?—A. I do. It has been so all the time,

through every administration, democratic and republican. Men are put into office because they are useful in politics outside.

Q. My inquiry relates to the present time. We are anxious to know whether incompetent and dishonest men are in the employ of the custom-house department.—A. Incompetent and ignorant men is what I said.

Q. We wish to know who they are?—A. I cannot tell you.

Q. Do you know who they are?—A. If I should have an hour to think of it I might, but if I had I would not tell, because these men are my friends mostly, and I will not say anything to hurt them with this committee, or any one else.

Q. If you do not want to hurt them, why do you come here and make general complaint?—A. I did not come here to make general complaint. I was summoned here, and they questioned me and I answered. I didn't make a complaint against anybody.

Q. Since you have lodged a complaint of inefficiency and incompetency against these men why—A. I have not lodged any such complaint. I have not made a complaint. I was asked questions and I answered. I have no complaint to make. If the Government can stand it, I certainly can. My only object in stating is (and I do not think it makes any charge against the administration in any way) that there are certain wrongs that may be corrected. There are certain things that could be improved, and every one knows it who has anything to do with the custom-house. If I had watched for opportunities to make complaints, I could have found a quantity, but I never watched, and I never put anybody's name down.

Q. I understand you to say that you are now in the warehouse business?—A. Yes, sir.

Q. And you say at one time you had a part of the general-order business at your store?—A. Yes, sir.

Q. Did you ever pay for that privilege to Mr. Thompson?—A. I do not know whether it was to Mr. Thompson or to Mr. Meyer, but it was to one or the other. I think Mr. Meyer got the money.

Q. When was that?—A. During Mr. Smythe's administration.

Q. How much did you pay?—A. I told you I paid \$5,000 a year; that is what I offered to pay Mr. Thompson or Mr. Meyer. I paid it to one of them, or rather I paid at that rate. I never paid any other.

Q. Did Edwards, Atkins & Co. have a portion of the general-order business on the North River?—A. Yes, sir.

Q. Did they pay you about 35 per cent. for the privilege?—A. Thirty or thirty-five cents; I cannot tell which.

Q. When was that?—A. During Mr. Smythe's administration.

Q. Did they not have to charge, in consequence of that, much more?—A. They did charge against my wishes, and against my protest, but I could not remedy it myself.

Q. Were they not forced to charge more in consequence of their bargain with you, by which you were to get 35 per cent. of the profits?—A. I did not charge any more as a general thing. I did pretty well, without making these high charges.

Q. How did their charges compare with the general-order charges of the present time?—A. I should think about the same. Rents were very high, and everything else was high at that time.

Q. Were you satisfied with the amount which Edwards, Atkins & Co. paid you?—A. I guess I was; I had to be.

Q. Did you take the business away from them?—A. No, sir; I only had the business myself about three months.

Q. I understood you to say that men were turned out of the custom-house because they would go against certain men in the primary elections?—A. They have told me so. The collector never told me.

Q. Under what custom-house administration was that?—A. I think it has been with all of them, ever since the republican party came in—ever since Mr. Barney came in. I don't know anything about it before then.

Q. Do you know of any men who were turned out for that reason?—A. I can't remember their names. It has been a very frequent subject of remark; but I did not pay any particular attention to it, any way.

Q. What knowledge or information have you of the keepers of general-order stores paying carmen or inspectors for bringing goods to their stores?—A. I have heard carmen say that they paid money to the inspectors to hurry them off, and I have heard inspectors say that they had got a "hatchet" for doing something or other. I cannot tell you.

Q. When did you hear these things? How long since?—A. I have heard them within three months, and all along back for four or five years.

Q. You have produced a bill of September 15, 1871, of the general-order charges on five cases, and amounting to \$6.25. By what vessel were these packages brought?—A. The vessel is down there, probably.

Q. By the Cuba?—A. Yes, sir.

Q. Where did she land?—A. I do not know; but I guess she landed in Jersey City. I think so; I cannot swear to it.

Q. What were the goods in those five cases?—A. It was either opium or figs; I cannot tell which.

Q. How long were they on store in general-orders?—A. I do not think over a day or two; I cannot swear positively.

Q. What was the size of the cases?—A. The size is on the bottom of one of the bills—31½ inches long; 12 inches one way—

Q. It is not on this? [The bill of September 15.]—A. They are both the same sized cases.

Q. What do you think was in those boxes?—A. I think opium.

Q. They are valuable packages?—A. Yes, sir.

Q. Take this second bill, dated October 17, 1871; what did those five cases contain?—A. I think it was opium.

Q. The same as the other?—A. Yes, sir.

Q. How long were they in store?—A. Only a day or two.

Q. Who made these marks, indicating the size of the packages, on this bill?—A. Mr. Lane, my partner, made them. He sent down a boy to measure them.

Q. These were received by the Batavia?—A. Yes, sir.

Q. You do not know where she landed?—A. I do not, and I do not know the line she belongs to.

Q. You are under the impression that all of these ten cases contained opium?—A. Yes, sir; that is my impression.

By Mr. CASSERLY:

Q. Is your warehouse business confined to bonded goods?—A. No, sir.

Q. State what class of goods it embraces.—A. About every kind of goods that are imported in the course of the year.

Q. Do you get some general-order business?—A. No, sir.

Q. Just state what class of goods you get.—A. I get wines and brandies; all kinds of liquors, and raisins—

Q. They are all bonded, are they not?—A. If they pay duties they can be put in the free store, or into their own store. Then I take raisins and currants.

Q. I do not mean what classes of merchandise, but the classes of goods, as distinguished between duties paid and duties unpaid?—A. I have got a free store; most of the goods I have in it are goods where the duties are paid because gold is low, and they purchase it to pay the duties. Where they are put into the bonded warehouse it is done to save the interest on the duties.

Q. Has the collector power to close up all of your stores?—A. For cause. I have been threatened with it.

Q. Did you state how long you had been a member of the republican party? If not, please state.—A. Ever since it was organized, and before that I was an abolitionist.

Q. That carries you back to 1854 or 1855?—A. It carries me back to 1852.

Q. Then you are a republican of twenty years' standing?—A. Yes, sir.

Q. And for many years you were very active in the party, and in its organization?—A. Yes, sir. I spent a great deal of money and a great deal of time in it.

Q. And you frequently attended to vote at the primaries?—A. Yes, sir; I used to do a great deal at the primaries.

Q. Do I understand you to say that your habit has been, regularly and all along, to visit the custom-house at least once a day?—A. I am in the custom-house every day. Something will call me in every day almost. Some days I do not go there. I usually go in two or three times. Sometimes I may be in an hour, and then I may not be in but a minute.

Q. That enables you to keep up a personal acquaintance with the officials?—A. Yes, sir. They all know me more than I know them, because I cannot remember names. It is impossible for me to remember names. I often feel very much chagrined when I meet a gentleman whose name I cannot call. It provokes me very much. I will just say that I have no object in coming here but in reference to these wrongs, and I would have them remedied whether they are by my party or by any other. I belong to the Conkling side of the republican party, as it is called.

Q. You do not consider, notwithstanding the questions put to you, that you come here to make complaint?—A. Not at all. If there are any wrongs that want correcting I should be glad to help, and I think it would add to the influence of the party to correct the wrongs as soon as they can be.

Q. You came here upon a subpoena?—A. Yes, sir.

Q. Like any other witness?—A. Yes, sir.

Q. To answer such questions as might be put to you by members of the committee?—A. Yes, sir. If you will call up any man from the custom-house and let him read over my testimony, I think you will find they will tell you that I have told the truth in all I have said. I have talked with them frequently. You have called as a witness Mr. James, the deputy collector in charge of the third division. I think he is a very nice man; but no man can know anything about that business under a year. They keep

changing officers from time to time, and it is a great mistake. The best way is, when they get a good man in the place to keep him there, and he would know something about the business. I have heard brokers say that they had paid men to put their papers through quick. The fact is that these men have to pay higher rent and higher expenses for living than when they received in years past the same salary that is paid now, and it is very hard for them to live respectably; and it is my opinion that giving a better salary to the employes would insure a good deal better men and a great deal more efficiency in the transaction of business.

By Mr. BAYARD:

Q. I want to ask you a question in respect to the sale of unclaimed property; have you ever been present at these auction sales?—A. A little while at a time.

Q. Do these sales take place in the presence of the goods?—A. Yes, sir.

Q. They are brought into this store for that purpose?—A. Where they send them every month.

Q. Do they sell them at that store in the room with the goods?—A. Yes, sir.

Q. How long since you have attended a sale?—A. I do not think it is more than a month or two.

Q. You speak of an inspection that was allowed, and you say there is one day set aside for that?—A. Yes, sir.

Q. What day?—A. The day before or two days before.

Q. Are they then open for inspection?—A. The usual time that they keep open the store.

Q. What is that?—A. From about 10 o'clock until 3, but I am not sure of that.

Q. That is under a custom-house regulation?—A. Yes, sir; I suppose so.

Q. What time do they close up—what is the hour for that?—A. Three o'clock.

Q. Is that one day the only time given for the inspection?—A. It might have been two days sometimes, but one day generally, I think.

Q. You went into the room and saw these goods?—A. Yes, sir.

Q. Are the packages piled one on top of the other?—A. Yes, sir.

Q. And the packages are taken down and opened for examination?—A. There is no examination of the packages when the sale commences. They are examined a few days before.

Q. I am speaking of a few days before. Could a man get a knowledge of the contents of a package so as to estimate its worth?—A. None except the appraiser's valuation.

Q. Suppose that catalogue does not contain a statement of the number of packages, how can he come at it?—A. They do not come—

Q. Has he anything to guide him beyond the appraiser's valuation?—A. Nothing.

Q. Have you attended these custom-house sales?—A. They sell there liquors and things of that kind, and they gauge them afterward to determine the amount. They do not sell the package. They sell with reference to the amount, and have it gauged and examined after the sale. If they are sold by weight the goods are weighed afterward. There are a good many packages sold where there is no weight and no gauge to them.

Q. So that the person who buys does not know what he buys?—A. Unless he goes and examines.

Q. But you say they are piled up?—A. They all have to be taken down and examined. I never heard any complaint that they did not.

Q. Did you ever see them taken down?—A. No, sir.

By Mr. PRATT:

Q. Have you heard purchasers complain after that they did not get their money's worth in purchases at these sales?—A. I do not know that I did, because they buy what they see, and when they buy it the auctioneer says, "Money up," and a clerk stands there and receives the advances on the purchases, and if they do not take it they forfeit the money they have put up.

Q. When you had the general-order business, I understood you, you made a profit upon cartage?—A. Yes, sir; probably made as much on cartage as on storage, and I made a profit on labor also.

Q. Where did you make the most profit—upon which of these three items?—A. There was not much difference; I could not tell exactly, but I should think about the same; that is, paying rent against storage.

Q. Can you give a general idea of how much profit you made out of the general-order business?—A. I cannot tell you anything about it.

Q. As much as \$100,000?—A. No, no; I might have made \$10,000 some time or other.

Q. From first to last?—A. Yes, sir. Down where I am there are no steamships coming there, and there is not much profit down there.

Q. When you had the general-order business did the practice prevail of "giving hatchets?"—A. When inspectors would come to settle bills they would talk about "hatchets," but I did not pay any attention to it.

Q. You never gave any "hatchets?"—A. I never did.

Q. Do you know whether the present proprietors of the general-order stores ever pay "hatchets?"—A. I do not know.

By Mr. CASSERLY :

Q. When you say that you do not know it what do you mean?—A. I hear such things rumored, but I do not pay enough attention to them. I think the custom-house officials, for extra work as they call out, are apt to borrow money all around, and they get it too.

Q. Is that the name it goes by; sometimes it is a "hatchet" and sometimes a loan; is that it?—A. Yes, sir.

Q. There are a great many things in this world, especially in business, are there not, that you have got to act upon as true without having actual knowledge?—A. You have got to guess at it.

Q. Upon such certain information as you can get?—A. Yes, sir. When I say I never gave "hatchets" I will state this: that it has always been my custom, every Christmas, to give every man in my store a present, and among the rest I have given my officer a present. That is all the "hatchet" I have given. I did it, not because he had done anything extra for me, but I suppose I had a right to.

Q. You mean the United States store-keeper?—A. Yes, sir.

Q. The general-order business in other times was really small, I take it, compared with what it is at the present time?—A. Yes, sir; very small when I first had it.

Q. I believe I understood you to say that it had increased since the increase of trade by steamships?—A. Very much.

FIFTH AVENUE HOTEL, NEW YORK, *February 2, 1872.*

JAMES H. YOUNG, a witness, being duly sworn, testifies :

Question. What is your present occupation?—Answer. I am an inspector of the customs.

Q. How long have you been so?—A. I was appointed on the 21st of February, 1869. This is my warrant, [producing a paper.]

Q. You have been nearly three years in that office?—A. Yes, sir.

Q. Have you been, generally speaking, actively employed during that period?—A. Yes, sir.

Q. As discharging officer mainly?—A. As discharging officer.

Q. What other duties have you performed?—A. I have been on special duty with the surveyor for several months at a time, but my duties have been principally those of discharging officer.

Q. Have you given some attention to the customs service at this port?—A. I have.

Q. Have you also given some attention to the subject of the general-order business?—A. I have.

Q. Do you regard the present condition of the general-order business as favorable to the public interest?—A. I do not.

Q. State briefly in what respect.—A. When I first came into the department the general-order business was distributed among several warehouses. The inspectors, of course, in discharging the steamers and sailing-vessels, are brought more intimately in connection with the general-order business than any other class of persons connected with the customs. We are given to understand in our official instructions that the regulations of the department compel steamers as well as sailing-vessels to lie in this port for forty-eight hours before they commence discharging. On the contrary, the general order is issued for steamers generally as soon as they are telegraphed at quarantine, and the steamship company holds that general order, and they have a right to commence to discharge as soon as the steamer arrives at the dock. My experience as an inspector leads me to believe that seven-eighths of the goods that go into general-order stores would be permitted by merchants, if the forty-eight-hour rule were put into practice, and steamers were obliged to seal up their hatches according to the regulations of the Department.

Q. Seal them up when?—A. Immediately on their arrival, until the forty-eight hours have expired. There is the beginning of the evils connected with the general-order system. It begins with the steamship companies themselves. My experience leads me to believe that on seven-eighths of the importations to the city of New York, the Government would receive the duties immediately upon the arrival of the importation here, if proper facilities were extended to merchants to pass their entries through the custom-house and the forty-eight-hour rule were enforced.

Q. You think the merchants would have time to get their permits, and pass the

goods, and would pay the duties more promptly than under the present system?—A. Yes, sir.

Q. That, of course, would be a subject of interest to the Government?—A. Of very great interest, indeed.

Q. By reason of the more prompt payment of duties that would result from it?—A. Yes, sir.

Q. And I also understood you to say that it would be a very considerable convenience to the merchants?—A. A very great convenience, because they would get their goods immediately from the steamship instead of going to the general-order store and being obliged to get a withdrawal order to have them taken from there. I will state in this connection that the public-store packages have to be withdrawn from the general-order stores, and taken to the public stores, whereas if the goods were permitted they would be immediately taken from the steamship dock to the public stores.

Q. Is there anything in the world to prevent public-store packages being sent right from the ship to the public store if sufficient time were given under the forty-eight-hour rule?—A. Nothing whatever. There is where the whole evil commences.

Q. The merchant by being enabled to get the goods earlier and make earlier sales would also save in interest by the reform which you propose?—A. Yes, sir.

Q. You have had a good deal of experience as discharging officer?—A. Yes, sir.

Q. Do you know of any purpose to keep goods from or hurry goods into general orders?—A. It is understood that when a steamship commences to discharge under general orders, the carmen appointed by the collector—the district carmen—are there ready to immediately take the goods into the general-order warehouses as fast as they get out of the ship. I will state an instance in the case of the steamer Bristol, pier 45, one of the Inman line of steamers. It is understood that on such occasions the steamship company pays the general-order charges. They had nine hundred packages on board and they commenced discharging at sunrise, and before evening seven hundred of those packages were in general order. This was done for the convenience of the steamship, so that she might sail on Thursday. She arrived on Monday. She was what they call an extra steamer.

Q. Was there any other motive for it except the convenience of the steamship company?—A. No other motive whatever.

Q. Do you know of any instance in which goods have been kept upon the dock by the discharging officer before they pass the custom-house office on the dock?—A. No, sir. The officers on steamship docks pass the cargo in an office that is especially appropriated to them by the steamship companies. The officer who takes charge of the dock passes the goods as they come up before him. He sees each case as it comes up before him, and the marks and numbers are called off. If the cases are permitted they are sent wherever designated in the permit; if not permitted they are passed for general order, and are marked with a circle, to show they are general order. Our attention, as a general thing, is not directed to the goods that are coming out of the steamers that are below us.

Q. What do you call below you?—A. The goods as they come out of the steamers we suppose are coming up to us continually by men who are bringing them up on trucks.

Q. The goods below are the goods that have not yet reached your office?—A. Yes, sir.

Q. On the wharf?—A. Yes, sir.

Q. Do you know Inspector Wood?—A. Yes, sir; I knew Inspector Wood, when he was inspector.

Q. When was that?—A. That was in the spring of the year that I was appointed.

Q. Eighteen hundred and sixty-nine?—A. Yes, sir.

Q. Do you know of any malpractice of his in regard to detaining goods before they reached the custom-house office on the dock?—A. It will be necessary for me to go back in order to get at that matter, to explain fully the position of Mr. Wood. Soon after Mr. Grinnell became collector, I was brought in contact with him from a circumstance that occurred on the Cunard wharf. There were difficulties and there always have been difficulties on this 47, of the National line, of which Mr. Hurst is the agent. Mr. Wood was removed from the service, I think, during the summer, as I was appointed in the spring. Soon afterward he became what is called a dock-clerk of the steamship company, of 47 line. General complaints came up from the steamship wharf in regard to goods being kept on the dock. I was sent to the steamer Denmark with another officer, J. W. Adams, who is now out of the department, and who, by the way, was a very efficient officer while he was there. We saw these packages. I said to him that I didn't know, positively, whether this was a special assignment or not, but my impression was that there were abuses of a very rank character on that dock, and that I should take the responsibility of striking at the root of it if possible. The first thing that I discovered after I went there was that we had one hundred and eighty bottles of brandy charged to us, of which we never got a bottle.

Q. Who are "we"?—A. Mr. Adams and myself. It was charged to us on the ship's account. I called upon the surveyor in regard to the state of the dock. He told me to

use my own judgment in regard to it. I found that goods were being detained by Mr. Wood. I found that certain merchants' goods were being detained there by him and kept from general order. My observation carried me further, and showed me there was a ring—what we call a steamship ring—at the head of the dock; and that when merchants' clerks or brokers, or brokers' clerks, came to the head of the dock, they were stopped there, and the persons employed by the steamship company made arrangements to keep the goods on the dock, or to keep them in the ship, and prevent them from being landed. So I then went forward, and as fast as the goods came out of the ship I sent them to general order. The general order was then on the corner of Leroy and West streets, and under the charge of Mr. Squires.

Q. Could the operations of that steamship have been carried on without the collusion of the United States officers?—A. Yes, sir.

Q. The inspector, I understand, who discharges the ship—and if I am not correct, I hope you will correct me—has the control of discharging the cargo, and the way in which it is discharged?—A. He is supposed to have it, but he does not have it.

Q. Do you mean that he has it by law, but does not exercise his authority?—A. He has by law, but he is not permitted to exercise it. The steamship companies are too strong for the custom-house, in my opinion. That is my experience.

Q. How do the steamship companies control the order or time of discharging the cargo?—A. They put their stevedores on board of their ships, and they pile out their cargo just as rapidly as possible out of three or four hatches at a time. The inspector has no moral power to control the discharge of that cargo whatever. That question has been very fully brought by me before the custom-house authorities, and in bringing it before Mr. Clark, the deputy collector of the seizure bureau, and the law officer of the collector, he maintains that it is necessary for an inspector to prove forcible resistance in only one way; that he must come down to the custom-house with his head battered all to pieces; that is the only kind of forcible resistance which can be proved under the law, by which an inspector can make complaints against the steamship.

Q. The inspector has a natural reluctance to get up that kind of evidence on his own person?—A. Well, I have had it once on my own person, but I don't propose to have it again.

Q. I understand at times there is a great pressure on the part of the steamship company to have its ships discharged as promptly as possible; is that so?—A. Yes, sir.

Q. You have been, as you stated, giving attention to the condition of the custom-house service. Can you speak as to the practice of the steamship companies of paying money to the discharging officers?—A. A practice has existed for the last twenty years on the part of steamship companies of paying what is called house-money.

Q. Tell us about that.—A. For instance, a steamer comes in here this morning. A portion of her permits will get in this afternoon. She will not commence to discharge to-day unless they are very much in a hurry, when, if not discovered by the inspector, the first thing you know is, you see the goods rushed in upon you. There is no moral or physical power that I have seen, but once, in that custom-house to prevent any such state of things. If the inspector at sundown leaves the steamship wharf, and leaves this mass of permits and orders lying there on his books without being entered, and goes home, the next morning the steamer could not go to work for three or four hours in the morning. If he stays there at night and enters these permits and orders, and makes out his public-store ticket and his warehouse tickets, and gets his books in proper order to discharge the steamer, it will probably take him two or three hours to do that every evening.

Q. Two or three hours every evening?—A. Yes, sir; they can't get through before that. When a person has been discharging a cargo of from one thousand to two thousand packages, coming rapidly out of the steamship, brokers are coming continually, and others in the same way, and we have to answer their questions and the questions of merchants' clerks (we never see the merchants) which are continually being asked. One man inquires in regard to a certain package, and whether his goods are going to general order, &c. At night, when you get through, you will find that you have a number of permits there that are not entered, and a number of orders that are not entered, and that your books are not in a condition to leave them, so that you can commence the next morning at sunrise to discharge your ship; and it is necessary for an officer, who has any care in his position, or who cares for the honor of his position, or anything for the estimate of his friends, to remain there and get his books in such a condition that he will be ready to discharge his ship the next morning. For such services there has been paid what has been called house-money. That the steamship company pays; sometimes paying less and some times more. Every inspector in the department, who has ever discharged a steamer, has received this house-money, which is paid for services after his duties to the United States have entirely ceased. They cease at sunset.

Q. You stated that the steamship companies pay this money; can you state what each of the lines pays?—A. Yes, sir; the National Steamship Company, that require more favors than anybody else, pay least—\$15.

Q. What does the Cunard line pay?—A. Twelve dollars. The Inman line pay \$20 or \$25, according to the services performed. The German lines pay \$20 regularly.

Q. Is there any difference between the Bremen and Hamburg lines?—A. Not the least. I think there is a difference in regard to the perquisites that are received. For instance, we are entitled, according to the regulations of those steamers, to rations of liquors. Those rations of liquor are regularly served. Mr. Schwab made a mistake in his testimony when he said that the officers are served with three bottles of liquor a day. It is not so. I have been only once in his department. There are three bottles of liquor served for two officers, and not three a piece; a bottle of gin, a bottle of sherry, and a bottle of very poor brandy. The liquors are better for washing purposes than for drinking.

Q. That is daily?—A. That is the daily ration which is put up for us when we leave the ship. It is sent out in a case. The same ration is received by Mr. Van Buskirk, the chief of the barge-office, and is taken by Mr. Anderson to his house.

Q. For each ship?—A. Yes, sir.

Q. Mr. Van Buskirk must receive quite a considerable amount of liquor in the course of a year?—A. He has been forty-two years in this department, and I think he must have a very good stock on hand by this time.

Q. He is the officer who assigns the officers to inspect the vessels, is he not?—A. He is supposed to have the assignment of the inspectors to the vessels.

Q. Can you state, with any accuracy, what was the number of steamships arriving at this port?—A. I think we have an average of about sixteen steamers a week.

Q. And for each of those vessels does Van Buskirk receive this supply?—A. No, sir; not from them. I only speak now of the Bremen line particularly.

Q. They came in how often, sir?—A. Sometimes they have one steamer a week, and sometimes two a week.

Q. Do you include the Hamburg line in that?—A. No, sir; I believe he doesn't receive any from the Hamburg line.

Q. You think he doesn't receive that allowance from the other lines?—A. I think not. No, sir; because the other lines—some of them furnish the liquor on the dock through the day, which I consider one of the worst evils inaugurated in this department.

Q. Tell us about that.—A. On the Cunard dock the ration of six bottles, I think, of ale and porter, with a decanter of brandy, with crackers and cheese, and that naturally draws a great many people there who have no right to be there at all.

Q. That is, to your office on the dock?—A. Yes, sir; they came there as regularly as 11 o'clock comes round, and expect to get a drink. Sometimes I have refused to have the liquors brought on the dock, because I don't want any drunken men around me.

Q. Is that done daily?—A. It is, by a card sent in by Mr. Shotz, the clerk of the Cunard company, to the steamer. We have no control of that.

Q. Do you have any rations besides that from the steamer?—A. No, sir; not from the Cunard line. They have never been remarkably liberal to the inspectors.

Q. Did you include the Scotch line?—A. They pay \$25. That is the Anchor line and the MacDonald line. I have just discharged the Ville de Paris, belonging to one of the Scotch lines.

Q. Do you know anything of their practice in regard to the same subject?—A. They pay \$15 or \$20; according to the labor that is done.

Q. This is paid to each inspector?—A. Yes, sir; every man who has ever been in the custom-house service has received these moneys. I will here state, in this connection, that about a year and a half ago the Secretary ordered an investigation, through Colonel Whiteley, into the payment of money by steamship companies to the inspectors. That investigation was laid before the surveyor in the surveyor's office. It was a short time after the surveyor came in, and I will say for the surveyor, coming into his office as he did, and not knowing the existing state of affairs, and it had never been brought to his attention officially.

Q. When was this?—A. I think it was in the next spring after the surveyor was appointed—1870.

Q. You are speaking of Surveyor Cornell?—A. Yes, sir; these things had been brought to the attention of the Secretary, and they had been brought to the attention of the Secretary by special agents of the Treasury. Well, I talked with Mr. Grinnell in regard to it. Mr. Grinnell said he didn't see how it could be regulated, as long as the general order existed in the manner in which it was carried on at that time. If these steamships lay there forty-eight hours, there would be no real necessity of their paying inspectors, but when steamers arrive and discharge in the manner in which they did, it became a necessity to the steamship companies that inspectors should remain there in the evening and close up their duties. I will state here that while I was on pier 47 on the steamer Denmark of the National Steamship Company, I gave notice to the officer who was with me that I should leave myself wholly untrammelled so far as that steamship company was concerned, but fight them at every point, and give them

no favors whatever, and should receive no mercy from them. I discharged several steamers on that dock on that basis entirely.

Q. How did you manage then in regard to the writing up of your permits?—A. I didn't write them up.

Q. What was the result as detention?—A. The result of that was the detention of the steamers. I might here state that Surveyor Cornell had a very strong disposition at that time to sustain me in the position that I took in regard to that steamship line. I had every reason to believe that Mr. Cornell was in the same position, but circumstances would happen; orders would come up to the steamship wharf while I was discharging the steamer on this basis, that made me believe that Mr. Cornell was giving me orders to discharge steamers according to law, and at the same time encouraging Mr. Hurst, agent of the steamship line, against me. I then went to Mr. Cornell, and told him I should refuse to do duty under him, and should bring the matter to the Secretary of the Treasury; that I couldn't do it any way, and that I wouldn't be trammelled in my position in that way. Very high words ensued; Mr. Cornell got excited, and it was no part of my business to be excited before my superior. We discussed the point for an hour or two on several occasions. After we had finished the Denmark, I was assigned to another steamship—the Queen—of the same line, but Mr. Adams, who was with me on the Denmark, wasn't assigned with me on the Queen. I waited some twenty days in the barge-office for the steamer to arrive. When she arrived, she had the cargo of two steamers on board of her, and, of course, there was pulling and hauling to see what could be done. One of their steamers had come in in distress, and they had put her cargo on the steamship Queen. The cargoes on the 47 line steamers are larger than any other steamers that come in, and they are loaded regardless of the wants of the merchants or the Government, and discharge on the same basis. At the time that the Queen came here the carman connected with the steamship company was a Mr. McDermott. At that time we hadn't district carmen. The steamship companies were allowed to name their own carmen, and these carmen were bonded, the same as the district carmen were, and the inspectors had full authority over them, so far as they could have authority and be sustained by the custom-house. They were not put in the same position as they are at the present day that are appointed by the collector. Some of them think that through their political influence they can grind an inspector the same as the steamship companies have, and have him removed for doing his duty. Well, this steamship commenced discharging, and came on the docks so rapidly—I will state here that Mr. Merritt, an inspector, was with me at that time, with whom I have no relations any more than I have with any other inspector, whom I casually know; out of two hundred and fifty men in the department there are very few men that you will come in contact with—Mr. Merritt was very ambitious to take charge of the dock and enter the permits. I was perfectly willing he should do it, and was perfectly willing to have the opportunity, knowing my instructions not to run the cargo. This cargo was put out upon the dock in such a condition, and so rapidly, and under the supervision of this man Wood—

Q. You mean the dock clerk?—A. Yes, sir.

Q. And formerly an inspector?—A. Yes, sir. The stevedores were entirely under his control, and a man named Graff, who was the superintendent of the wharf. The stevedores then stated to me that they wouldn't take any orders from me; that I had no authority, control, or power on that wharf; that they received their instructions and orders from Mr. Graff and Mr. Hurst, and they would resist the inspectors to the best of their ability in anything they chose to do, and they did it. In this state of affairs I went down to the custom-house and stated to Mr. Grinnell exactly what was occurring on that steamship dock. I threatened to seal up the steamer. Mr. Grinnell then called upon the surveyor, who came up, and we had a conference as to what was best to do under the circumstances.

Q. Who was then surveyor?—A. Mr. Cornell, the present surveyor. Mr. Grinnell thought it was best to send the deputy surveyor to sustain me. His sustaining power would be just as good as mine. The deputy surveyor cannot resist one hundred and fifty men who are working the steamship any more than I could resist it individually. Mr. Cornell made the remark to Mr. Grinnell that he thought if I was properly sustained that I could go there individually and seal up that steamship as well as the deputy surveyor. I returned to the dock with positive instructions to seal that ship up. I told Mr. Graff, the superintendent of the line, that that was my orders. He declined to obey, and said he would work the ship; that it was their ship and their goods; that they didn't care for inspectors; that their line was powerful enough to carry any of their points. I brought a box of sealing-wax with me, and three or four bundles of tape, and I went on board of the steamer. I ordered the stevedores to stop discharging the ship. They positively and absolutely refused to do so, and to receive any orders from me whatever. I then told them there was penalty attached to their refusing to obey my orders, but they said they would be protected by the steamship companies. The goods were coming up out of the hatch at this moment, when I told

them this. I told them they must knock off. It is very difficult to seal a steamer, because they are all solid iron under the combings of the hatch, and it is very hard to run tape so that you can fasten it. I fastened the tape to a bolt in the deck, and commenced running it across the hatches. Mr. Graff went right on, and gave orders to take the cargoes out of the vessel. Well, I run a portion of one of my pieces of tape across this hatch, from one side to the other, and, of course, it began to interfere with bringing the goods out of the ship. When Mr. Graff saw my determination to seal the ship, he called me on one side and asked me if this thing could not be arranged. I told him nothing could be arranged with me except his obeying the instructions of the collector. He demanded the instruction of the collector in writing. I told him I had no instructions from the collector in writing. He knew I had been to the custom-house very well. He asked me how long I wanted the ship knocked off, and I told him until the dock is in such a condition that I could tell the general-order, public-store, and warehouse goods that are permitted, and that might take me two hours or six hours, I couldn't tell. He then concluded to knock off work. That is the only instance I have known of an officer sealing a steamship while she has been discharging. I will state further, in this connection, as I stated in my former testimony before Mr. Patterson's committee, that Mr. McDermott, the carman on that dock, and who is now dead, assured me they were determined to get me off that dock, even if it was necessary to assassinate me for that purpose, and warned me not to go there to discharge the steamers.

Q. You did go there?—A. Yes, sir; I went there and saw that steamer discharged. I compelled them to place the goods as I wanted them. This man Wood made the remark, and wanted to know whether I intended to put a carpet on that dock. I told him if it was necessary I thought we could put a Wilton carpet on it, if there was law enough in this Government, before we got through with them. I then discharged two or three other steamers on the dock afterwards. I then requested the surveyor, who sustained, as far as was in his power, throughout the time while I was there, to send Mr. Adams to that steamship dock with me to help me discharge the rest of the steamers; and I had the entire and perfect control, which they yielded after they saw the determination on my part, and the determination, as they supposed, of the surveyor and collector to support me.

Q. How does the money which is paid regularly, as you have stated, by the steamship companies to the discharging officers of each steamship, as house money, reach the inspectors?—A. It was formerly paid directly from the house. In the case of the McDonald line, pier No. 20, it was paid directly from the steamship companies. In the case of forty-five line, the Inman line, it is paid by the stevedore. I can't say how it is on the Bremen line, because I haven't been there for the last two or three years. On the Hamburg line it is paid by the regular district carman of the line. It is understood he receives the money from the steamship companies.

Q. Why is the name house-money applied to it?—A. That is a designation which is given to it for the services that are rendered after one day's work is done.

Q. Rendered at your own house?—A. Sometimes I have taken my books home, and worked at them at home until 11 or 12 o'clock at night, and sometimes I have staid on the steamship dock and worked there until 11 and 12 o'clock at night to get my books in order, so that I would be prepared to go on with the discharging of the cargo. That would be a great detriment to the merchant, as well as to the steamship company, if the steamer was delayed in the discharge of their goods, because very often they are in a great hurry for their goods.

Q. The receipt of such money is covered, isn't it, by the oath the inspector takes every month?—A. That oath that the inspector takes doesn't cover anything. It isn't looked upon by inspectors as covering anything connected with their duties. That is considered a custom-house oath, and a man who takes a custom-house oath does not consider that he is on oath, as I do before this committee. I think that is the case with merchant brokers and everybody connected with the custom-house.

Q. That is the general idea?—A. Yes, sir.

Q. Do you know of money being paid to officers for passing baggage of passengers, or otherwise?—A. That was always an exceedingly unpleasant duty to me, and it is a duty which I never sought. I have examined baggage on most of the steamship docks; and in this connection I desire to state to the committee that Major Burton, one of the deputy surveyors, is a person who fully comprehends the situation connected with the passing of baggage. My experience in regard to this—

Q. What is Major Burton's full name?—A. I don't know his full name. He is the deputy surveyor for the examination of inspectors. He doesn't assign the inspectors to the examination of baggage. That is done by Mr. Van Buskirk. I have heard a great deal of report and rumor in regard to moneys paid by inspectors for the examination of baggage.

Q. Paid by inspectors?—A. No, sir; paid to inspectors for the examination of baggage. I have never known of an instance of it. I have never been approached myself in that way, but I can readily understand that a gentleman coming on a steamship,

with a lady, his wife and family, who have been to Europe, where he might have baggage, dresses that are made up, nothing dutiable. This baggage is packed by packers in Paris, and the wardrobe may be worth \$20,000. The inspector can examine that by running his hand under the dresses without taking them out and soiling them. A gentleman, under such circumstances, might pay an inspector for not handling them roughly. I can understand that things may have been done, but I don't know of my own personal knowledge. I know this, that a man by the name of Davis, a custom-house broker, has been, ever since I have been in the department, on all the important steamship docks where all the valuable baggage arrives. I take the Cunard line and I take the French line, where the lines of steamers come in on which our wealthy citizens generally come. This man Davis has appeared to have a control, even superior to the surveyor's deputy in charge of the dock, in regard to the examination of baggage.

Q. By the officers?—A. Yes, sir; I have heard him use very coarse language about baggage which he is supposed to have the control of. I have heard it stated, and it was stated to me this morning by an inspector, who was appointed here through the influence of Senator Patterson, of the same name as myself, that gentlemen have said to him that this man Davis has had their baggage passed for a consideration, and that they have paid Davis frequently. I know there has been a dread on the part of inspectors in regard to the influence which might be brought against them by Davis. Always, since I have been in the department, there seems to be an influence thrown around him which protected him on steamship wharves, and while he didn't examine baggage it was a settled matter that an inspector who examined baggage that he had anything to do with must pass it or lose his place.

Q. What is Davis's name?—A. James Davis, I believe.

Q. You spoke of his having an influence in what quarter?—A. I can't tell; it is an influence that some people say comes from Washington, and some from the collector. He certainly was there when Mr. Smythe was there, and certainly when Mr. Grinnell was there, and also when Mr. Murphy was there.

Q. Is he still there?—A. The last steamship that I examined the baggage of on the Cunard dock he was there—only a few weeks ago. I will go further in regard to this point. I have seen baggage come from quarantine in Dr. Carnochan's boat, and checked by some officer down there—I can't say who; it had the custom-house officer's check upon it. It was valuable baggage and was landed on the barge-office dock. I have received ladies in their carriages that received them there—open valises and open satchels that had a large amount of jewelry in them that had never been worn.

Q. When was that?—A. Last summer. I saw this baggage coming up while I was in the barge office.

Q. Who came up with it?—A. Mr. Davis came with it in Dr. Carnochan's boat. I don't recollect what inspector was there who passed the baggage.

Q. You mean in the health-officer's boat?—A. Yes, sir. She landed at the barge-office dock. This jewelry was exhibited while they were in the carriage. They were admiring it. My natural inference was that it had been passed.

Q. What number of packages were they, and what size?—A. There might have been \$10,000 of jewelry and perhaps \$50,000 worth. The appearance of the ladies was such as to lead me to judge they were very wealthy.

Q. Did it consist only of jewelry?—A. Yes, sir; that that I saw exposed. I made the remark at the time that it was very singular to me that passengers could be brought from quarantine and have their baggage brought off from a steamer lying at quarantine in that manner.

Q. I understand you in this case that the ladies whom you saw at the barge-office came in a carriage there?—A. No, sir. They came up in Dr. Carnochan's steamer, and landed at the barge-office, and then carriages were procured for them outside, and they went to their residence in their carriages from there.

Q. Their baggage could not have been put on the health-officer's steamship without the collusion of the officer on board the ship at quarantine?—A. I don't think that there was any officer on board the ship at quarantine. I don't think she had been boarded then; I am not positive that she had been boarded by one of our officers; it isn't a practice to board ships at quarantine, but while they are coming up, while off Castle Garden.

Q. In a row-boat?—A. No, sir; we go in a Government tug, a revenue boat especially assigned for that purpose.

Q. Is that the only case of that kind that you know of?—A. That is the particular instance that I bring to mind at the present time. It is an exceedingly unpleasant duty to me to have anything to do with baggage, and the consequence is that whenever I can get rid of that duty, I get out of the way of it as much as possible. I don't like to handle persons' wardrobes.

Q. You say it isn't usual to have an officer board the ships at quarantine?—A. It isn't usual.

Q. It isn't usual?—A. It happened in that case. That baggage was included; it was marked by some custom-house officer.

Q. So that I am right in saying if there is anything wrong about it, it must have been with the collusion of the officer?—A. It must have been.

Q. Did the baggage exhibit the marks of more than one officer?—A. No, sir; it is generally understood that where we examine baggage on the dock that the declaration covers all the baggage of the person who made the declaration.

Q. Did you inform your superior at the custom-house of the transaction?—A. No, sir, I didn't. I was pretty well tired out in that line of duty. I have ruined my health, and am nothing but a wreck of what I was when I went into the custom-house, in fighting these things.

Q. Let me understand your reason a little more fully for not giving information in the proper quarter?—A. Well, that case was not any more flagrant a case, perhaps, than might have happened under the supervision of this man Davis at any day, and it is a delicate matter to bring to the notice of your superior officer an act of another officer who is in the same line of duty as yourself, unless you know you are going to be sustained, and that it will be agreeable to your superior officer to make this complaint.

Q. Well, from your previous experience, what was your idea as to the probability of your being sustained in such a course?—A. Well, I thought that my complaints would be heard probably, but with the thousand other things that came up it would be pigeon-holed, as matters of that kind are. However, I will here state, in every instance where I have brought to the surveyor grievance of a character such as I have stated, that he has invariably either investigated it himself, or put it into the hands of some party connected with his department to investigate it; but I always preferred to have the surveyor investigate these cases himself, because I think he arrives at the truth; but if it gets away from him to the tight barnacles who have been in the custom-house twenty or thirty or forty years, it will be covered up in some way.

Q. Why didn't you inform the surveyor of this transaction you have spoken of?—A. I can't state specially. The surveyor has been a good deal out of the city, and I generally wish to bring these things when I get to a point where I think it is necessary to communicate with the surveyor, and I take the responsibility to communicate it in writing.

Q. Do you know of any case where property, either as baggage or otherwise, has been brought into this port without paying the lawful duties, for the benefit of an officer of the custom-house, or any friend of an officer?—A. No, sir, I don't; no such case has ever presented itself to me. Such a thing might have occurred, but I have never heard of them.

Q. Outside of your personal knowledge, you haven't been made aware of any such case?—A. No, sir; I have heard rumors of such a character, but nothing that could be depended upon.

Q. You didn't undertake to trace them up to their sources?—A. Well, it wasn't necessary. Some of them had occurred under other administrations. I have heard of this very officer, J. W. Adams, that I speak of. He stated to me an instance where a bank president—I think myself that if the case were traced back to the fountain-head, it would be found that this very man Davis had been instrumental in having it passed, some \$12,000 worth of laces that had never been used or worn—that this bank president's daughter in wearing it made the remark that she had had it passed with her baggage. I recollect of Mr. Adams bringing that case to my attention, and we even went so far as to find the declaration.

Q. A declaration by whom?—A. A declaration made by the gentleman. Nothing, of course, was stated on that declaration, and in the many other matters connected with our official duties, after looking into the matter and making a statement to one of the deputy surveyors, the matter dropped. The way that these transactions are generally found out is by them being exposed by the ladies themselves. They say, I have given an inspector so much to pass my baggage, and they come out in this clothing and show it to their friends, and say, we have got so many thousand dollars' worth of stuff past the custom-house, and we didn't pay any duty on it. Now, the statement that you have will show that last year \$40,000 was collected on the steamship docks from passengers' baggage. I want to have it distinctly understood that that is not all the money that is collected from passengers' baggage. It is very often the case that there are articles of value in passengers' baggage which the appraisers do not consider we have a right to pass on the dock, and those packages are sent to the public store, and there the duties are collected on them. Very often it amounts to \$700 or \$800 or \$1,000 of duty in such cases. There is another mode of smuggling on the part of ladies; it is a delicate subject, but it is a subject which deserves attention on the part of custom-house authorities, and which, I believe, has received attention. For instance, a gentleman goes to Europe and takes out the measure of his lady friends here, and takes their order for a wardrobe. He comes here and makes his declarations on five, or ten, or twelve trunks, and when he comes on the steamboat wharf the ladies will be there for whom these orders have been carried out. When the inspector comes to examine this baggage, the representation is made that these ladies are passengers on

the steamer, and that is their wardrobe, and in that way the wardrobe passes the custom-house without having any duties paid upon it.

Q. Do you think that the inspector is free from blame in such cases?—A. The inspector has no way of judging because this man declares this to be his baggage.

Q. I thought you said he described it as the wearing apparel of the ladies.—A. All he says is, "Wearing apparel." It is very often that a gentleman comes over from Europe with his wife, and he merely enters this baggage on the declaration as being the baggage of himself. He will not enter it as the baggage of himself and family, but merely as the baggage of himself. That thing is now being investigated, as I understand, by Major Burton, and with some prospect of success in breaking up that system. I believe he has had some trunks sent to the public store. I think I heard the other day of one instance where \$800 duties had been collected from some trunks sent in in that manner. I will state here, in this connection, that it is usual for the steamship companies to give a ticket at their office for admission to their wharf when the steamer comes in. It is necessary to have this ticket indorsed by the surveyor or one of his deputies in order that the parties presenting that ticket can come inside of what we call the line.

Q. That is a rope drawn across the head of the dock?—A. Yes, sir. That check or the surveyor or the collector admits those parties inside the line.

Q. What officers are on duty on the rope?—A. One of the officers, who is the discharging officer of the steamer.

Q. Are there any of the city police there?—A. There is generally one or two of the policemen round, and the employes of the steamship company.

Q. Doesn't it happen that the officers on duty, whether United States officers or city police officers, admit persons whom they know without passes?—A. I don't think that is a general thing.

Q. Still, it may happen?—A. It may happen. Such things have happened while Mr. Terwilliger was deputy collector. Persons do come on the dock in that way. Mr. Terwilliger sometimes admitted persons without passes.

By Mr. STEWART :

Q. Are the passes granted as a matter of course?—A. Generally as a matter of course. When Mr. Terwilliger attempted to come on the docks and assume the position of deputy surveyor he inaugurated a system there which I have never seen since I have been in the service. We didn't allow any of the persons coming on the docks to go on board the steamers, but as soon as the gang-plank was put ashore from the steamer, Mr. Terwilliger held under that pass they had a right to go on the steamer. Now, what is there to prevent these persons taking off diamonds, or laces, or anything of the kind? I don't think it is ever investigated who the parties are that get the passes. They say they have friends on the steamer.

By Mr. CASSERLY :

Q. In the case of an inspector passing baggage of a passenger, whether it contains dutiable goods or not, what is the sum usually paid?—A. That I don't know, sir, because I have never known of such an instance. I have heard of such reports, but I don't know myself.

Q. Is there any sum usually understood as that which is paid?—A. I don't know it of my own knowledge.

Q. Do you know of any case of the inspectors on board a vessel, or those having charge of her, receiving goods on the vessel which they take on shore without passing them through the custom-house or paying duties on them?—A. No, sir; I have never known of a case of that character on any steamers that I have been on.

Q. Did you know Mr. Levy, an inspector of customs?—A. Yes, sir.

Q. Was he with you once on the steamer Columbia?—A. He was assigned with me on the steamer Columbia, but he didn't see me. He was assigned to a steamer on the Bremen dock, while I was waiting for the Columbia.

Q. Was there a roll of velvet on that steamer for him?—A. Not for the inspector, Levy, it was for a man by the same name, who has been extensively engaged in smuggling goods for several years. That point has been cleared up in regard to Mr. Levy.

Q. I will read your testimony on that point, which is on page 122 of the report of the committee of which Mr. Patterson was chairman: "Q. Have you known of cases of smuggling?—A. Not on the steamships I have had; I know of goods being brought here and taken back to Scotland, and I positively know of one instance. There has been a great deal of suspicion connected with this line for several years. Mr. Levy was assigned with me on a steamer, and on the Columbia he did have a roll of velvet on board. The steward brought a roll of velvet to Mr. Levy, and it was taken back to Scotland." You are at perfect liberty to correct that, or anything else in your testimony.—A. There was no permission given me to correct my testimony before the Patterson committee, because they left here in a short time afterwards. I supposed that that courtesy would have been extended to me. The steward of the Columbia told me that he had

a roll of velvet for Inspector Levy on board that ship, and said he desired to land it. I declined to allow him to land any velvet or any other articles. I believe there is a decision in the Treasury Department that unless goods come over the side of a steamer or the side of a sailing-vessel we have no power, as seizing officers, to take them. I had no disposition to get a brother officer into trouble. While my relations were not remarkably cordial with Levy, still they were as cordial as with most of the men in the department. I have ascertained that the velvet was brought here for, as I understood, Inspector Levy at the time. It has since transpired that the velvet was brought here for a man of the same name, and the steward of the ship was mistaken in stating to me that it was for Inspector Levy. The man Levy is now, I think, in the Ludlow-street jail. He has been extensively engaged in smuggling operations for years, and has been arrested for smuggling operations. The roll of velvet did come here eventually, and was landed here.

Q. In the regular way?—A. No, sir; it was landed from that steamer afterward, but I didn't have her.

Q. It was smuggled on shore?—A. Yes, sir. The steward told me himself that he did get it on shore eventually.

Q. I will call your attention to further testimony of yours, which appears at about the same place on the printed report. It is part of a long answer of yours to a particular question. I will read your language: "Mr. Cornell, when he went before the surveyor with me, told me he was one of the inspectors, and he wanted to have me make the investigation." That is, Levy was.—A. Yes, sir.

[Reading continued:] "At the time I was on the steamship line, pier forty-three, I found there were one hundred and eighty bottles of brandy charged to me on one steamer. I found one of the surveyor's staff, Mr. Lawrence, was purchasing brandy at twelve dollars a case, and landing it without permit." You can state to the committee now as to that.—A. The one hundred and eighty bottles of brandy were charged to us on the steamer Denmark as having been given to the custom-house officers. There is no question in my mind, nor never has been, but that the one hundred and eighty bottles of brandy were smuggled ashore in our absence at night, and sold by the employés of the steamship company, and charged to us on the company's books as being for the use of custom-house officers.

Q. I did not intend to intimate that there was anything in that part of your testimony that implicated you in any degree, nor is there anything in this part that I am about to read: "I found one of the surveyor's staff, Charles Lawrence, was purchasing brandy at \$12 a case and landing it without permits."—A. There is a point in regard to the surveyor, and I think it is but justice to him that it should be made public. This man whom the surveyor found on his staff is one of what was called Wakeman's flying brigade when he was surveyor. While I can't state anything of my own knowledge, it was generally understood that a great deal of baggage was passed down at quarantine without paying duties by the flying brigade.

Q. At quarantine?—A. Yes, sir; Mr. Davis was considered one of them. Mr. Lawrence was on Wakeman's staff, and came there as one of his staff when the surveyor went into office. It is usual to introduce the staff to the new surveyor, and he supposes, of course, that these men who are in positions of this character have been fully tried and are acceptable. When the investigation in regard to this brandy took place, I went to the surveyor about it, and I considered it a delicate matter at the time, this person being on the surveyor's staff, and the matter was dropped.

Q. You say the matter was dropped?—A. Only for a short time; but the matter was very fully investigated by Mr. James, a special agent of the Treasury, and the testimony of Mr. James and myself, as well as the testimony of Messrs. Pell and Plaser, two inspectors, who had another steamship on the dock at the same time, was taken, and they corroborated our testimony in every respect. That testimony was transmitted by the special agent (Mr. James) to the Treasury Department. Well, as in all cases of that kind, where a man undertakes to do his duty, I was immediately attacked from all quarters of the custom-house by what is known as the custom-house ring—by these men who have been in office a length of time, and who spend their time principally in getting up circulars and investigations against officers that haven't any foundation whatever. Mr. Lawrence was not removed at that time, and I heard nothing further about it. Afterwards, in a conversation with the surveyor, he told me that after he came into the department he heard rumors in regard to this person, and desired to have an investigation made. He did have an investigation; but this investigation was made by A. Barnacle, who was then deputy naval officer, and had been for thirty years, and whom I had always looked upon as one of the chiefs of iniquity in the custom-house in forming rings for the purpose of protecting just such men as this man Lawrence was. Their report in regard to Lawrence, the inspector stated to me, was that the charge that had been preferred against him on a previous occasion, in regard to smuggling operations connected with the border, and with bringing goods from France, had no foundation whatever; so they reported to the surveyor. Consequently, there was no cause of removal of Lawrence; hence, as I before stated,

these tight barnacles had fixed his case so that no one could remove him from the custom-house. Then I presented a case myself through a letter to Washington, as I stated in my former testimony. I presented a case at pier 47. While this investigation was going on General Curtis, special agent of the Treasury Department, was making an investigation in regard to this very man, connected with smuggling on the border and transactions on the border—smuggling transactions in spice and other articles. He fastened this on this man so definitely that he came down to New York and procured an order of arrest for him; but Lawrence got wind of it before the order of arrest got to him, and he was secreted here in his house until arrangements could be made by which he could be bailed. He was then taken before the commissioner, and they completely impeached the testimony of General Curtis's witnesses before the commissioner in regard to Lawrence. That dropped the case there; but General Curtis is one of those indefatigable spirits that never give up anything, and he went to work and had him arrested on another charge, which was taken into the courts. He was indicted, and it has been settled in some way by the Treasury Department. In fact, I got so tired of the thing that I was worn out with it. He is at large now.

Q. Then was this man Lawrence removed?—A. Well, he was first removed upon the representation of Surveyor Cornell. I am not positive about that. He was reinstated again by Mr. Grinnell, or some powerful influence which he had at Washington, which brought him back again. Then he was sent down to the barge-office on discharging duty, and I think he discharged one steamer there, and the first thing I knew he was up around the surveyor, although the surveyor told me he was not on his staff. He came into the steamship dock as though he was there. It is impossible for the surveyor to notice these things unless it is brought to his attention by officers.

Q. Was that the time, as you stated here, that you found him at the steamer buying brandy at \$12 a case and landing it without permits?—A. Yes, sir.

Q. How long ago was that?—A. That must have been in the spring of 1870.

By Mr. HOWE:

Q. What is a case of brandy—a dozen bottles?—A. Yes, sir. You can't get a permit for a case of brandy, because you can't land anything less than thirty gallons; it would have to be smuggled to get it ashore. Mr. Grinnell asked me, if he sent an order up there for a case of brandy, whether I would land it for him, and I told him "No, sir."

By Mr. CASSERLY:

Q. When you say it had to be smuggled to get it ashore you don't mean to say that anybody was obliged to break the law?—A. If that isn't breaking the law I don't know what is.

Q. You mean there is no way of getting it ashore lawfully?—A. Yes, sir; that is what I mean.

Q. Can you tell when Mr. Lawrence was finally removed?—A. I can't; he was reinstated again and was on duty for three or four months. He was removed on charges of General Curtis; that is, so far as I know. Mr. Grinnell told me he was removed on those charges; either him or General Merritt.

Q. Who is Charles King?—A. That should be Charles Kane.

Q. He is referred to as a person engaged in smuggling for years?—A. He was on the surveyor's staff, but I think he has been removed; he is not there now.

Q. State the circumstances connected with him?—A. This Kane is a person who was placed in this department on the recommendation of Captain Chalker, who is now special agent of the Treasury, attached to Colonel Howe's, because I will not be positive; but it appears to me, and my recollection is, that he was concerned in a smuggling operation in which Captain Chalker caught him, and he got him into the service to catch other smugglers.

Q. On the well-known principle which will occur to every one without repeating the adage?—A. Yes, sir.

Q. You say his name should be Charles Kane?—A. Yes, sir.

Q. He got him into the service?—A. Yes, sir.

Q. Upon whose staff was he?—A. He was upon Wakeman's staff. He was another of the legacies which were left to Mr. Cornell when he came into office.

Q. How long did he continue on Mr. Cornell's staff?—A. I think he has been recently removed—four or five or six months ago; I can't state the time.

Q. At all events he was removed but recently?—A. Yes, sir. He had charge of the searching of Havana steamers for smuggled cigars. I was especially assigned to make a report in regard to those steamers. I came in contact with him on several occasions in which he exhibited his superior authority as an officer of the surveyor's staff. Although I was an inspector, he questioned my rights, and although I had a card from the surveyor to board the steamer and make the examination.

Q. You are referring now to Charles Kane?—A. Yes, sir; he questioned my right to

go there, and although I boarded the steamer in the Government barge, he resisted my authority in several ways, and made it exceedingly unpleasant for me to go through with the duty to which I was at that time specially assigned to discharge. I found a great many smuggled cigars on those steamers, and this thing was placed in charge of Colonel Whitley, chief of the secret service in Washington. I went there with him several times. We took from the different steamers from 75,000 to 100,000 cigars at different times. This interfered with Kane's duties very much, and he showed a great deal of feeling about it. Nevertheless, I went through my duties, although it was exceedingly unpleasant, and for which I have been attacked in the most dastardly manner in the newspapers of New York. I finished my duties in that line and made my report, and have received the moieties of seizure money which accumulated from the seizure of cigars.

Q. Did you have occasion in your report to speak of Kane, or did you make any report which involved Mr. Kane?—A. Well, nothing but a general statement in regard to him. I had conversed with the deputy surveyor in regard to him, and once or twice informally I spoke to the surveyor on the subject. The surveyor could not believe anything of that kind in regard to the man. He appeared to be active in his duties; but since that time—it will, perhaps, be well for the committee to call Colonel Howe as to that portion of the evidence, because he was specially assigned by the Secretary of the Treasury to investigate the case of Kane, and on his report I am informed the Secretary removed him.

Q. How long ago was this smuggling of cigars that you spoke of?—A. It was in the beginning of 1870.

Q. The removal of Kane took place quite recently?—A. Yes, sir.

Q. What name do you say this surveyor staff of Mr. Wakeman was known by?—A. They called it the flying artillery and the flying brigade.

Q. Is there any other name?—A. I don't recollect any other name specially. Mr. Wakeman's staff was generally understood a staff that went for all they could get. There was a man by the name of Isaacs on that staff, who is now a custom-house broker, I believe.

Q. Is there any opprobrious name usually applied to that body of men that you think of?—A. Well, I don't know; there are a great many names applied to that particular staff under the surveyor. I came in February, and very soon afterwards Mr. Wakeman went out of office, and the present surveyor, Mr. Cornell, changed the staff pretty rapidly.

Q. But, I understand you to say that Laurance and Kane succeeded in staying for a good while?—A. There is one reason why, I suppose, Kane staid there so long. The searching of the steamer is a very peculiar duty. Pier 4 line is the large Havana line; the steamers have places built in them expressly for smuggling operations. The men themselves—the sailors and the stewards of the steamers—create these places to put cigars in. I will illustrate it by saying, in the Nora Castle once I went into the pursuer's room; there was a desk there with drawers on each side that run up, and the safe was placed in the center of the desk. Taking out one of these drawers, I happened to see a piece of string or twine at the end of one of the drawers that was sticking out. I drew the piece of twine back of the safe, and drew out 2,000 cigars of a certain brand. That is one of the ways in which that is done. Some portions of the knees of some vessels will be cut out large enough to slip in 2,000 cigars. Sometimes there are places under the coals of the vessels, and sometimes they are in lockers. I have been to Havana myself, and nothing can come from Havana unless it comes from the Government wharf. Every steamer knows just as well what is on its manifest of goods coming to the merchants as can be. The Government is not particular about the manifests of outward-bound vessels, but it is about the manifests of inward-bound vessels. The cigars have to pass over the Government wharf, and they go to the steamers in that form, and are placed by these different officers and sailors all over the vessel. Everybody on the steamer is more or less connected with smuggling, except the captain.

Q. Is it a common thing that goods intended to be smuggled into this port are put on the steamer at Havana?—A. Yes, sir; it is a well-known thing here and at the Treasury Department.

Q. While referring to the subject of inspectors, I will ask you if you know anything of the body of men who form the night inspectors, as to their efficiency?—A. I regret to say I would prefer not to give any testimony on that point unless the committee force me to do it.

Q. You have testified a good deal already.—A. [Interrupting.] Well, I suppose I might as well make a clean breast of it at once. When I was on 47, I never came on the steamship dock in the morning that I found a night man awake there. That was on the National line of steamers, where I was especially assigned. This isn't an unusual thing, and with the fact before the committee that these men go on duty at sunset and remain until 12 o'clock, and a new set go duty at 12 o'clock and remain on duty until sunrise.

Q. It is a common thing for these men to sleep on their watch?—A. Yes, sir.

Q. What is to prevent goods from being stolen or smuggled at night?—A. Nothing, whatever.

Q. Do you think the watchmen of the steamers are sufficient to prevent that?—A. I think the ship's watchmen are a better protection against smuggling than the men appointed to those positions. Of course I shall bring a great deal of odium upon myself for giving testimony of this kind. I have pursued a course that hasn't been very pleasing since I have been in the department; but I can't pursue any other course.

Q. You have been in office quite a long time?—A. Yes, sir.

Q. How is that?—A. Through some influence, I suppose.

Q. I hope you will have some influence that will protect you in the discharge of your duty.—A. He certainly has protected me so far.

Q. Have you ever had occasion, on going to the dock in the morning, to wake up these night inspectors?—A. Very often, sir.

Q. Where did you find them asleep?—A. In the custom-house office, where they have no business to be, whatever.

Q. Isn't there a roundsman, who should inspect all these posts, where any inspectors are left?—A. Yes, sir; the hour is generally known when he will be there; then these men manage to keep awake. As I understand these regulations, it is the duty of one of these night men to be on the deck of the steamer, and one in the gangway, or walking in front of the steamer, to see that nothing passes from here. I have been frequently obliged to go on board the steamer at pier 20 and wake them up. I have been on steamship docks where I haven't seen a man at all.

Q. Sometimes you have to wake the ship's watch?—A. No, sir; our own Government inspectors.

Q. Have you any reason to believe that goods are ever taken over the side of the vessel while these men are asleep, without paying duty?—A. I think that the greater portion of smuggling from steamships occurs between 6 and 8 o'clock in the evening.

Q. Between day and dark?—A. Yes, sir; these men go to their meals. Some steamship companies allow them their meals on board, and some steamship companies don't. Articles are passed off in that way.

Q. When does the night inspector go on duty in the evening?—A. At sunset. He is supposed to relieve the day officers at sunset.

Q. Do I understand you to say that after going on duty the night inspector gets his supper?—A. Well, some steamship companies allow it to them and some don't. That thing has been greatly abused by both departments. We have men in our department who think that they should eat up the entire steamer before they get through with her.

Q. Now, you have testified a good deal about the inspectors, and your testimony has been confined to them. Do you know of any abuses among the officers employed in the custom-house proper?—A. Only from rumor. Previous to answering any questions on that point, I wish to state that I discharged, at the beginning of this month, the steamer Europa, and, while there, I found there was a combination made on the part of the night men to discharge those steamers at night without night permits.

Q. Whom do you mean by night men?—A. The night inspectors. I was permanently assigned to that dock at one time and found it was in a very bad condition, and I went there and discharged several steamers, and afterwards I was permanently assigned by the surveyor to the dock. I brought that dock into a condition superior to what it ever was before; because I felt that I had the power of the surveyor back of me, and whenever he has had it in his power he has sustained me very fully. I brought that steamship company down to the very point of the law in discharging their steamers and in everything connected with landing their goods. I gave them no favors whatever. When I was there this time on the Europa, not having been there for several months, they were exceedingly desirous—the steamer was behind time and she got into her dock at 3 o'clock in the afternoon. The general order was handed to us, and General Farnsworth was with me on the steamer, at the time, and they wished to commence discharging under general order. I couldn't prevent them from discharging under general order from sunrise until sunset. Just before sunset, Mr. Lucas, the superintendent of the wharf, and Captain Nichols came to me at different times and told me they would go on discharging the cargo of case goods. They had no night permits, however.

Q. You are still speaking of the steamship Europa?—A. Yes, sir; and they had no night permits to discharge. Captain Nichols told me, who is one of the managers of the wharf, that it would be all right, "no harm can come to you in regard to it. We have a man here, Mr. Van Horn, of the night department, who will arrange all these matters, and he can protect you from any harm in regard to it." I said, "You can discharge this steamer until 6 o'clock, but you can't take a pound out of her after that time." He told me, "Well, I will see you will be protected; you will go on discharging the steamer to-night and pass the goods. We will fix it with Mr. Van Horn so that nothing shall come to the surveyor's ears in regard to it." I told him I didn't accept

any proposition of that character from any steamship company, and as far as that was concerned I wouldn't remain on the wharf, and I knew General Farnsworth wouldn't. The steamer didn't discharge that night, but went on discharging the next day under general order, and permits came in and we discharged up to sundown. They then made a representation to me that they had fifteen or twenty packages in the steamer that they would like to discharge after sundown. I told them they couldn't discharge one pound out of her. They again made the representation of having me protected through the night man, Mr. Van Horn. I declined under all circumstances to have any more cargo go out. Afterward, in speaking to the stevedore on the subject, he told me there was at least four or five hours' work more on the steamer that night, before they could reach the iron, for which they had a night permit, and that it would have been impossible for him to have got out the packages, so as to have gone on even in an hour or two. A day or two after this, in the evening, as General Farnsworth and I were sitting there, when they had reached the iron, and had gone on to work the steamer, under a night permit, the store-keeper of the Ismalia came into the custom-house office with a box of whisky, and said, "Mr. Young, I want to take this up to Mr. Lucas's office, and this is one of four cases that has to be landed, to be taken to Mr. Lucas's office." I said, "Well, bring in the other cases, if you have got them here." He brought them in. I said to the man, "Do you know this is smuggling? I am afraid, my man, I shall have to arrest you for this." He said that he had landed them with the permission of the night officers. Mr. Van Horn was the night man on the Ismalia. The store-keeper went on board the ship, and brought me the order from the house of Henderson & Brother, who are the agents of the line, for the four boxes of liquors that were landed, which I seized and sent to the seizure-room of the custom-house.

Q. An order in whose favor?—A. It was an order from Henderson & Brother; on the edge of it was written deputy collector, but no deputy collector's name, so I made my report in writing, as I always do on information, if I make a seizure. I should state, in this connection, that Mr. Lucas came to me and said, "Don't send those down to the seizure-room; I will get a free permit in the morning." I said, "You can never get a free permit for these cases while I have them in my possession; they will go to the seizure-room in the morning." I made a statement of the case to Mr. Clark, the chief of the seizure-room, and placed a copy of this order, from Henderson & Brother, for these liquors. The surveyors was down town at the time. I called upon Mr. Clark the day afterward, and he asked me if I was willing to let him have the original order.

Q. Who asked you?—A. Mr. Clark, of the seizure-bureau. I told him, said I, "On the conditions, Mr. Clark, that that order shall be returned to me; that is my property, and I may need it hereafter." I went two or three days after, and asked him if he was ready to surrender the order to me; he said, no; that I could have it, but he wished to bring the case to the attention of the collector. He stated that the order was an original order from Henderson & Brother, for the liquors. He didn't state to me who it was for. He said he supposed that the ship would pay a penalty. I don't know whether they have ever paid a penalty. Having been away since, I haven't called upon Mr. Clark for the order. I kept a copy of the letter. That was in the beginning of last month—January, 1872. I think we took the steamer on the first of the month.

Q. How many cases were there?—A. Four cases; three cases of Scotch whisky, not branded, and one case containing several bottles of sherry. That wasn't a full case. The order called for one case of whisky and three cases of half a dozen bottles of sherry, and also called for a case of brandy, which was crossed out. The original order is now in the possession of Mr. Clark, I suppose.

Q. Did you ever find out who was the deputy collector?—A. No, sir; there has been a great deal of talk about it. I haven't listened to it, and I don't know who the deputy collector was.

Q. Have you no judgment about it?—A. No, sir, I haven't.

Q. Will you now give us the name of the person who signed the order?—A. I don't know who signed the order, but Mr. Clark told me that the words "Henderson Brothers" were written by Mr. McDowall, agent of the line here, and who has been the agent for the last twenty years. I had always a high opinion of that gentleman, and didn't suspect, under any circumstances, that he would sign an order of that character.

Q. You regarded it as a smuggling transaction?—A. Well, I think it was for somebody in the custom-house. However, I think that the liquor got to its proper place in the seizure-room.

Q. It is just as much smuggling whether it was for the benefit of a custom-house official, as for the benefit of a private person?—A. Yes, sir. I don't suppose the officers who were on the wharf that evening thought that either General Farnsworth or myself would be there.

Q. Do you suppose that they understood the wrong that they were committing?—A. Well, when a custom-house officer allows four cases of brandy or whisky to be landed, they certainly must have some idea of right or wrong.

Q. Do you think they would have done it if the order hadn't had the memorandum of deputy collector on it?—A. I don't think the night-man ever saw that order. That was sent to the store-keeper of the Ismalia. That wasn't sent to the custom-house at all. I will say another thing; that the officers of the Ismalia—that ship was not discharging that night—I will say that they hadn't been consulted or spoken to in regard to this matter, and they were men of so much character that they would have considered it an indignity offered to them to be asked to pass it.

Q. You think that, as far as the ship was concerned, the only guilty party was the store-keeper of the ship?—A. I don't think that the store-keeper was at all guilty. He obeyed the orders of his superiors. It was an order coming from the house.

Q. You understand that no orders from the superiors could justify him in such a transaction?—A. These men generally are very ignorant men, and he might have supposed it was smuggling and he might not.

Q. At all events, so far as the ship was concerned, he was the only person involved in it among the officers of the ship?—A. So far as I know. He brought the liquor out, and he evidently had an idea that all that was necessary was to bring it to our office and have it passed. Mr. Van Horn was the United States officer in charge of that ship at that time. I reported the case in full in writing to the surveyor, and I think he has taken action on it, but I don't know positively. I know from some things that have occurred on that wharf that action has been taken. I know he has never neglected to take action in cases of that kind which have been brought to his notice. I generally report in writing, and sign my own name in full to the report, so as not to involve any other officer.

Q. Of what class of men, as regards character and fitness, are these night-inspectors, as a rule?—A. Well, there are some men who have been in the Army, and have been incapacitated from doing work by wounds. There are a great many men who are used for the purpose of primaries, and used for the outside work that politicians use that class of persons for.

Q. Do you regard such men as fit for so responsible a duty as that of night-inspector?—A. I wouldn't certainly regard a man whom I found asleep on duty as a man fit for his position.

Q. Would you think that men who were inefficient at primaries and at the outside work you have spoken of would be eminently trustworthy as night inspectors?—A. Well, I haven't been concerned in primaries since I have been in the custom-house; but from general report I should think they would not be.

Q. Now, sir, we will carry our inquiries inside the custom-house. Do you remember an investigation of a fraud alleged to have taken place in the importation of glass, in the year 1870?—A. Yes, sir.

Q. State briefly, if you please, what that was.—A. I was called in Surveyor Cornell's office, and there met Collector Grinnell and General Palmer and a deputy appraiser named Pearce. The surveyor stated to me that General Palmer had requested an investigation, or that General Palmer had been called upon to make an investigation, in regard to a glass cargo, and in regard to the importation of glass generally into this port, and requested me to take charge of the discharging of that cargo of glass. I think in several conversations with Mr. Pearce and General Palmer on this subject, I learned that complaints had been made by merchants that glass paying duty by thickness and glass paying duty by weight some houses had been able to sell it for the same price in this city that it was sold for in Europe; and the investigation was for the purpose—the part that I had charge of was for the purpose of taking the thickness and size and weight of every case of glass that paid duty, by weight and by thickness. No one man can take a cargo of 18,000 cases of glass. We take our account of the glass as it comes on the carts, and of the marks, so as to know what the number of packages would come at. These cases are covered with marks of the weight, size, quality, &c. The surveyor instructed me to go to Mr. Van Buskirk and have selected twelve of the most capable officers to assist me in the investigation. These officers were selected, and some of them were the eldest officers, in all of whom I had confidence. The invoices of the glass were prepared at the appraiser's office on schedules which are only known to the houses that are engaged in the glass business, with the marks and thicknesses. I called the inspectors together previous to discharging the ship, and selected the different invoices, and handed them to the inspectors. A Mr. Fuller, who was one of the party, I deputed to call off every case. Every inspector staid there, and there might come out of a sling of ten or twelve cases one mark for each inspector in that sling. Every one was taken. We, in the first place, had a great deal of difficulty in getting the ship discharged in that way, and Mr. Pearce was exceedingly anxious that I should have these marks and numbers and thicknesses down at the store of the glass merchants.

Q. Instead of at the ship?—A. Yes, sir, but that isn't my way of doing business, and I had the marks and numbers taken there. We were some two or three weeks taking that cargo. After every case had been taken the inspectors made their respective

reports to me, and I transmitted the papers to the surveyor with my report in connection with them, and that is the last I have heard of it.

Q. How long ago was that—it was some time in 1870, wasn't it?—A. Yes, sir; sometime during that year. I know the weather was quite cold at that time. I am not positive about the date.

Q. General Palmer was the chief appraiser at that time?—A. Yes, sir.

Q. What was his course in regard to the matter?—A. I called upon General Palmer several times, and he appeared to be very earnest in regard to finding out where this fraud existed; very earnest, indeed.

Q. Did you come to the conclusion that there was a fraud?—A. I have always believed there was; but unless a man has a very thorough knowledge of the business it would be impossible for him, from any examination we made there, to detect where the fraud was. This investigation was caused in consequence of merchants, as I have before stated, having been able to sell glass as cheap here as they could on the other side, while merchants who bought the same glass couldn't sell it as cheap.

Q. Did you know of the practice of designating by the deputy collector a particular package, one out of ten, say, to be sent to the appraiser's store for examination?—A. That is supposed to be done with all goods that come into the custom-house; and in some cases where there are ten cases of velvet, one of the cases would be sent to the public store, and right under that might come a case of silk, and they would send the case of silk, although it was a single case. I have no doubt in my mind whatever, and never have had, but what the great frauds in the revenue start with the brokers in the custom-house, in collusion with the merchants.

Q. At what point in the custom-house do they start?—A. That is impossible for me to state. It is necessary, of course, to have collusion between the broker and the persons who mark the package for the public store. While I have no knowledge that that is a fact, still there are cases occurring where goods have gone to the public stores by mistake—by a wrong number, perhaps—not the wrong number, but the designated number. It is found that the goods are not such as are marked in the invoice. As soon as that is discovered the goods are seized at the merchant's store.

Q. In other words they find in that case that the collusion has blundered?—A. Yes, sir; exactly. That is the way that the fraud was discovered.

Q. Would the goods have gone into consumption by that time?—A. I discharged a sailing-vessel some time since and a public-store package was taken off the dock, as I supposed, by mistake. I went to the merchant about it. This was a public-store package of a certain kind of glass, where other glass was on the permit. I went to the merchant about it and I also went to the deputy collector, a person who has been a great many years in the custom-house, and in whom I always had a great deal of confidence. I asked him whether that couldn't be fixed in some way, as it placed me in a very peculiar position, and since this investigating committee came here people are more on the alert than before.

Q. Where?—A. In the custom-house; they always are when the investigating committee are here. He said to me, "You will have to get that package some way." That afternoon the clerk came down to the wharf and told me they had about one-half of the package, but the remainder of it had been sent to Saint Louis.

Q. You mean the clerk of the merchant?—A. Yes, sir. I said to him: "You send me down the package as it is." I think that was in November, and, I think, Thanksgiving day intervened. I looked all day on Saturday for that package, and it didn't come. On Monday I went to the merchant's store and he had not only got rid of all the goods but he had sold the very package that the goods came in. It was a particular package that had been named by the deputy collector, and was a different kind of glass from any other that was on the permit.

Q. And that one he had sold also?—A. No, that particular package was a different kind of glass from any other package in the permit and was specially named by the deputy collector, because it was specified as being different glass. I reported the case to the collector in writing.

Q. Was the kind of glass in that package a glass that paid less duty than the glass in the other packages?—A. That I can't say. I would here state that the boy who came down to the wharf said that if \$10 would settle the matter he was willing to settle it in that way.

Q. Was he a boy or a young man?—A. He was a boy.

Q. From the merchant?—A. I suppose he was from the merchant; he had all to do with the matter. He came down two or three times to see me.

Q. You don't think a boy from the street was likely to make that proposition?—A. O, no, sir. Mr. Bixby stated here yesterday that any custom-house officer could be bought for \$10, but I think there are men in the custom-house that the amount of money had never been presented to them that would buy them.

Q. Did you lay that case before the collector?—A. I did, sir. I presented the case to Mr. Clark.

Q. What became of it?—A. I can't tell you, sir.

Q. How long ago do you say that was?—A. That was in November, I think, of last year.

Q. Have you heard anything further of it?—A. I met the boy on the street afterward and asked him what he did about that case; I think he said he had fixed it on bond A.

Q. What did he mean by that?—A. I supposed that they had given a bond to produce the same kind of package. I have no knowledge of what these bonds are given for. I know they are obliged to give bonds in regard to the public-store packages, but I don't know what those bonds cover; that is something that I have never investigated specially.

Q. You stated a while ago that the merchant had sold the very package in which the goods came. Do you mean, by that, the case in which they came?—A. I mean the hogshhead or cask. He told me he had sold it for 75 cents.

Q. What was his object in doing that?—A. I didn't ask him, but it was clear to me that he never intended that the custom-house should get any of that glass in their possession again.

Q. And by putting the cask out of the way, he removes the evidence in the case?—A. All the evidence, as I suppose. I have heard of instances where whole packages have gone away, public-store packages, when they have been obliged to return to the custom-house, after being sent as far as Chicago, Boston, or Saint Louis. There is no excuse whatever for the carmen, many of whom are bonded carmen—there is no excuse for the packages to be taken off the wharf. They are in the public-store place, and if they get among the other cases by mistake, it is no business of the carmen to take them away, under any circumstances.

Q. Where, in such a case, the remainder of the invoice, after sending to the public store one case in ten, is sold by the merchant, and passes into the general consumption of the country, is it possible to trace those goods, unless where there is a very great quantity of them?—A. No, sir; you couldn't trace them after they are passed in, especially casks of glass. I think it would be very difficult in any case of merchandise.

Q. Then, not only is the fraud incapable of exposure and punishment, but the duties are lost to the Government?—A. Yes, sir.

Q. Are you informed as to the practice in the case of importations of the character you have been speaking of, of having fraudulent packages prepared and shipped at the other side for detection?—A. I have heard of such cases, as this, for instance: there was a case that happened on the Scotch dock, where a free permit came down for a corpse.

Q. A dead body?—A. Yes, sir. The hearse and mourners were there. They were German. When the case supposed to contain the corpse came down on the dock, it being passed from the steamship very carefully, they placed it down on the dock; but there was a ringing sound heard in the case. They opened the case, and found it contained French clocks. This was several years ago, and was previous to my coming into the department. It is a well-known fact, however, that that was done.

Q. Do you suppose that that substitution was intentional or accidental?—A. It was intentional, without any doubt. There was no accident, except in packing the clocks so that they emitted a ringing sound.

Mr. BAYARD. That corpse was meant for time, and not for eternity?—A. Yes, sir.

By Mr. CASSERLY:

Q. We understand here that the merchant selects any deputy collector that he pleases, to designate which one out of ten packages shall go to the public store. Is that a practice which is liable to abuse, in your opinion?—A. Well, it would be liable to abuse, but I don't think that is general. I think men come up and go to the first deputy collector they can find. Merchants and brokers are always in a hurry to get their permits through, and while a broker may have a deputy collector who is more favorable to him, yet when he comes to have his permit checked, may find so great a line there that it may put him back an hour or two, and he may find a collector who has nobody, and he will go to that one.

Q. You have been speaking of a case where there might have been collusion in the selection of a particular package?—A. Yes, sir. I don't say every deputy collector now in the rotunda has knowingly done anything of that kind. Mr. Jane, a special agent of the Treasury, can probably give you more information on this point than I can.

Q. Supposing such a collusion exists, isn't it greatly aided by the practice of merchants selecting any particular deputy collector that he chooses to designate packages to go to the appraiser's store?—A. Yes, sir.

Q. Mr. Leibecker, who is a very experienced man, was here yesterday and testified that the merchant may, if he chooses, go always to the same deputy collector for the designation of the packages. Is there anything else you wish to mention in regard to the matters within the custom-house, as distinct from the duties of the inspectors?—A. Not that I am personally cognizant of. It has taken pretty near all the three years

that I have been in the department to find out the evils that are connected with the administration of that department alone.

By Mr. BAYARD

Q. Did you know of a man named Case, who was an inspector in the surveyor's department?—A. He was an inspector; yes, sir.

Q. Do you remember the fact that he was charged with having substituted goods for dutiable articles while they were under debenture?—A. Not of my own knowledge.

Q. You don't remember that case?—A. No, sir.

Q. Do you remember the fact of his arrest?—A. I saw the arrest in the newspapers; that is all I know of it.

Q. Do you know who bailed him?—A. Well, I have an indistinct recollection that it was Mr. Terwilliger. I don't know positively; I know nothing about the case except what I have read in the newspapers—nothing whatever.

Q. Do you know whether he was subsequently employed in the custom-house again?—A. He was inside the building at that time. He was at some kind of business inside the building at that time.

Q. At the time he was guilty of some delinquency?—A. He must have been, or he couldn't have been on debenture duty.

Q. Do you know whether he was assigned to any other duty in the custom-house after that charge was made against him?—A. I don't know.

Q. You can give us no information in regard to that?—A. No, sir. I desire to state in regard to the debenture duty that in England the persons who are assigned to debenture duty are called cart-walkers. Those are men who follow carts from a bonded warehouse to the ship. Inspectors are assigned to that duty here, and it is a duty which any honest man can be procured fit to do it as well as inspectors, and should be done by them, and I see no reason why inspectors should be taken for that duty when the Government can procure men for a less amount of money who should be specially assigned to do it.

Q. It is merely to keep the goods in sight?—A. No, sir; from the time they leave the store until they get a receipt for them from the vessel to which it is being shipped.

By Mr. CASSERLY:

Q. You have spoken of the cases of Lawrence and C. Kane, both on the surveyor's staff. Have either of these men ever been prosecuted to punishment in the United States courts?—A. Well, Lawrence was prosecuted in the United States courts; but I believe it has been settled in some way by the Government. I don't know that anything has been done for Kane. Colonel Howe can give all the information in regard to that; I believe he had entire charge of it.

Q. So far as you know, neither of them has ever been prosecuted to punishment in the courts?—A. Not that I am aware of.

Q. You said a while ago that whatever abuses there are on the inside of the custom-house start with the custom-house brokers employed by the merchant?—A. Yes, sir; I would state, to qualify that to a certain degree, that brokers have formed a monopoly of getting goods through the custom-house, and it is almost a matter of necessity that a merchant should go to the broker in order to get his goods through the custom-house. Mr. Grinnell anticipated, however, if he had remained collector long enough, to have broken up that system. He talked to me several times, but of course nothing was done.

Q. How do the brokers succeed in compelling the merchants to employ them to do their business with the entry clerks?—A. I think it has been stated to me that it requires nineteen checks on a permit before it can get to the inspector, and if it requires nineteen checks on a permit, you can imagine how many checks it requires before a man can get his entry finally liquidated. The result of that is that very few merchants employ clerks for that purpose. Some of the merchants do employ clerks for that purpose. Mr. Stewart and other large houses do. A man that has small importations has to employ a broker in order to get his goods through the custom-house.

Q. The small importers, such as you have described, are the most numerous of that class?—A. Yes, sir.

Q. Do you understand that there is any arrangement between the custom-house broker and any clerk, for instance, so to conduct the business as to compel the employment of the custom-house broker by the merchant, by delaying business, or anything of that sort?—A. I couldn't swear to that, because I have never been an entry clerk myself, and haven't come much in contact with the department.

Q. You spoke of having examined, more or less, the practical workings in the custom-house service, and I thought you would be able to speak in regard to that.—A. I can in my own department, and where I have come in contact with other departments in connection with mine.

Q. Do you remember the case of May and Wolf, persons who are charged with having an arrangement with the deputy collector for designating such cases as they de-

sired?—A. Yes, sir; I only recollect the outlines of that case as I saw it published.

Q. When was that?—A. That must have been about the beginning of this administration.

Q. What became of that case?—A. I can't say whether those parties finally paid the penalty to the Government or not.

Q. Were they caught in their practices?—A. Yes, sir; that was a case which was worked up by one of the surveyor's deputies in the custom-house.

Q. Is it in the power of the discharging officer to expect, by his action, the quantity of goods sent to the general order?—A. Yes, sir; it is.

Q. State what your experience has been, and whether you have endeavored to give greater facilities to the merchants in keeping the goods out of general order.—

A. Well, where a man is on a steamer or on a steamship dock, he can control that matter to a certain extent. Now, for instance, on the Scotch dock, when I was there, I found that the majority of the merchants were desirous to pay their duties and get their goods. The steamer would commence discharging in the morning. Perhaps one-half of the permits would be in during that day. The remainder of them might come in by 12 o'clock the next day. Well, all the goods that passed me that were not permitted were supposed to be under general order; but on my own responsibility, knowing that the merchants were desirous of paying their duties, and knowing that they were desirous that these goods should not go to the general-order store, I took the responsibility and kept them out. I have discharged thirteen steamers on that wharf, and in some instances I have reduced the general-order packages down to four packages on a steamer. You must take it into consideration that most inspectors have not the nerve to do anything of that kind, for their heads would come off if they did.

Q. At whose instance would their heads come off?—A. Of the parties interested. It is a great interest to the general-order people and a great interest to the carmen who draw these goods, and who are specially designated by the collector. My own head has been threatened by carmen on pier 47, because I wouldn't let them have general-order goods at 7 o'clock in the morning. A complaint was made to Mr. Benedict, the deputy surveyor, in consequence of it.

Q. Have you had any intimations of that kind from any of the general-order men?—

A. I have met Mr. Stocking once. Mr. Leet I haven't seen at all here. The air is full of that thing, that if an inspector don't order the goods to the general order that he will be removed. There are rumors that are flying around continually, and have been for the last year and a half.

Q. Do you mean that that is the general understanding among the discharging officers?—A. I think it is.

Q. Did you ever have any intimation from Leet & Stocking in regard to the subject and your course in keeping goods from general order?—A. Not in my own case, only from carmen and others, who would say, "Your head will have to come off if you don't send those goods in."

Q. I will recall to your recollection your testimony before the committee at page 124, in which you state, "Since I have been on my pier, I kept goods from going to general order, and Leet & Stocking's young man came and said they would have me removed if I didn't send general-order goods to them."—A. This young man was down there. I don't know the person. He represented himself as coming from Leet & Stocking, and I told him to go ahead, I would keep the goods.

Q. You go on to say, "He was a sandy-complexioned young man—one of their clerks."—A. Yes, sir; I have never seen him since he represented himself as being from there.

Q. "I said, 'You shall never have any general-order goods from this wharf if I can help it.'"—A. That is just what I said, sir, and I carried it out while there.

Q. Have you considered or had occasion to understand the workings of the present system of seizures and of the seizure-bureau in that connection?—A. Yes, sir; I have made a good many seizures since I have been in the custom-house; but I must state that there is not much encouragement for an inspector to make a seizure.

Q. Why not?—A. I think 90 per cent. of them are settled in some way contrary to law. An inspector never gets anything for his seizure, and he gets a great many hard knocks for his trouble from parties who have goods he has seized, and the result of it is, I think, inspectors, as a class, have come to the conclusion that they are just as well off by not making a seizure as they would be by making one.

Q. I will ask you, do you think the system is a beneficial one for the Government, in the first place; is the present system of making them in regard to the payment of duties particularly?—A. I think that where there is a deliberate case which shows smuggling that the goods ought to be held by the Government; I don't care what representations a man makes in regard to them.

Q. What is your opinion of the moiety system?—A. I think it is the greatest curse this Government has ever seen.

Q. State why.—A. Because moieties prevent men who are high in position—large merchants who are caught in smuggling operations, dealing in false weights, dealing in false invoices—from being sent to State's prison; and if you could send one prominent man to State's prison for smuggling it would do more to prevent smuggling than if you settled with a hundred under any consideration whatever.

Q. You are very clear about that proposition?—A. I never was clearer on anything in my life than I am on those points.

Q. I must say that I agree with you; now, under the system of moieties, do you think that the Government secures as large an amount for those sales as it otherwise would?—A. It does not certainly, because one-half of the one-quarter of what is received from the seizure or from the settlement of the case goes to the informer; the other quarter goes to the naval officer, surveyor, and collector, so that the Government, under any circumstances, could not receive the one-half on what is made in the settlement.

Q. Do you remember the case of the gin which you seized in the steamer Virginia?—A. Yes, sir; it is in the seizure-room yet.

Q. In February, 1870?—A. Yes, sir.

Q. Can you state the particulars of that case in illustration of what you have just been saying?—A. The law has been altered to some extent in regard to seizures of that character since that time. I am told that gin came here in what is called "racks." The law specified that packages of liquor should contain thirty gallons; if not, they were liable to seizure. The gin came there put up in racks, so that every case was exposed, and there were eighteen cases in a rack. Under the ruling of the Treasury Department, under the old law, that was considered an illegal importation; but under another ruling of the Treasury Department, if those eighteen cases of gin had been put up in a box, so that they were entirely concealed from view, the man would have been entitled to have imported that liquor and paid duties on it without seizure. He exposed his gin, and it was an illegal importation, but if it had been in a covered box, those eighteen packages in a covered case, he would have been entitled to have entered it at the custom-house and paid his duties upon it. That is one of the decisions of the Treasury Department which govern moieties. I have not received anything from that yet, and I think by the time they get through with that it will be pretty nearly evaporated.

By Mr. BAYARD:

Q. That is two years ago. I thought the law compelled the sale?—A. I think under the ruling of the Department that it can remain in three years. There will be the storage of the gin in the seizure-room since that time, and a thousand other charges that will probably eat it up pretty nearly, so that I can get nothing out of it; I suppose I would get \$600 out of it.

By Mr. CASSERLY:

Q. There were three hundred and twelve cases, were there not?—A. Yes, sir. The decision in that case was referred to Washington, and decided to be a good seizure. There used to be a good many seizures of that character.

By Mr. BAYARD:

Q. Why hasn't the sale taken place?—A. I think that there is a construction of the law which prevents the Government from selling it for three years. Now, in regard to the seizures. When a man makes a seizure, it takes fully twelve months before the inspectors ever realize anything from it. Then the expenses attending the seizure, the closing up of the account. I believe the auctioneers' expenses are very nearly 25 per cent., and then he holds the money in his hand three months after that before it is turned in to the collector. The matter has to go down to Washington, and through its regular routine in the Department, and it takes fully a year before a man can realize anything from a seizure, and in ninety-nine cases out of one hundred a man is out of office before that time arrives.

Q. What experience have you in regard to when that sale does take place, as to the original quantity holding out?—A. No, sir, I haven't attended those sales. I have never had any time since I was in this department to attend to any business of that kind, and I made up my mind after I made that seizure that what I could get out of them was clear gain more than anything else.

By Mr. CASSERLY:

Q. What was the duty on that gin?—It would have been about \$2,800.

Q. As the matter now stands, will the Government receive that amount of duties out of the transaction?—A. No, sir; I think most of it will be evaporated before it is sold. Gin evaporates through the cork. You can't seal a bottle of gin; if it is good gin it will rot off the seal.

Q. Suppose it holds out as much as could be expected, will the Government still receive ultimately the whole of its duties?—A. No, sir; I don't think it will.

Q. State why.—In the first place, the gin wouldn't sell for the same price now that it would then; that will make a very great difference.

Q. State any reason, if there is one.—A. That is my reason, of course. The Government only gets half, under those circumstances.

Q. You think if the property had been seized then as smuggled goods and sold, the Government would have promptly received its duties, which, as you think, it will not effect now?—A. No; in this case there is a decision of the Treasury Department which allows these parties to take out this gin by paying a penalty in lieu of duties; that is what the decision reads.

By Mr. BAYARD:

Q. When that penalty is paid, is it divided equally?—A. I shall get one-quarter of it, the naval officer, surveyor and collector get the other quarter, and the Government the other half.

Q. But there will be no deposit, no duties whatever?—A. No, sir.

Q. The Government will have its duties paid out of its moiety?—A. Yes, sir; it will will lose \$1,400 by it.

By Mr. CASSERLY:

Q. Then, in every point of view, you think the system of moieties is a bad one, and ought to be abolished?—A. I have always thought so. If you can't get honest officers without moieties, why the sooner you shut the custom-house and make everything free the better.

Q. What is the effect of it with officers themselves?—A. They very often make seizures which they wouldn't make under other circumstances.

Q. Is it not rather their interest to have things take such a course that they will be able to make a seizure?—A. It is for their interest, because it brings money into the pockets of the superior officers.

Q. In that point of view, is it not their interest to allow the fraudulent importer to proceed to a certain point, when they can make the proof clear and make a successful seizure?—A. I should think it was, sir.

Q. What is the general effect of such a system, in regard to raising up a class of informers and encouraging informers in the community?—A. I think it is debasing, of course, upon an officer who is all the time looking out for something that he can inform upon; he doesn't know positively whether he has a good case or not. You see, a great portion of the seizures are by men who are well posted in regard to seizure—are made—

Q. They put in their information before the seizure gets up, because it has been ascertained, I am told—while no such instances happened to me—that this flying brigade of the former surveyor were in the habit, the moment they heard of a seizure, of going up and filing the information themselves on this seizure, and then the officer who made the seizure and brought in his seizure-papers was not recognized at all, because the information is recognized before the seizure—before the person who signs the seizure-papers. The man who brings in the information in Mr. Clark's department is the first person recognized.

By Mr. BAYARD:

Q. And the law gives the share of the moiety to the informer?—A. Yes, sir.

By Mr. CASSERLY:

Q. Then I understand you to say that by this device the officer who entered the information took priority of the man who actually—A. Who actually made the seizure and did all the business in that connection.

Q. And had the merit in the case?—A. Yes, sir; some officers have been obliged to file their cases at Washington, where the information had been placed in that way, and I think I know of an officer where there was a decision in his favor who carried the case to the Secretary, and the Secretary decided it in his favor; he was the seizing officer.

Q. Do you think the number of inspectors could be diminished without injury to the service?—A. I think the number of inspectors could be diminished. I have not changed my views on this subject during the past year, sir, although it makes me exceedingly unpopular with persons who are in the service to make a statement of that kind. Now, for instance, I will illustrate the case. I am not positive, but I think there are nineteen districts; those nineteen districts take thirty-eight officers; we have a district that is called the marble-yard; those are vessels that arrive from Leghorn and ports in the Mediterranean with marble. These vessels go to these marble-yards, and they make small invoices of citron and small invoices of soap and articles of *vertu* and statuary, &c., and but one or two of these vessels can discharge at this marble-yard at a time. Now, I see no necessity for putting ten or twelve inspectors up there on ten or twelve vessels from Leghorn with marble on them, when those district officers could discharge them just as well as having so many men there. There is

another point. We have been sending three men to steamers all the winter, and, for the life of me, I can't see where the third man is necessary, except in certain cases, such as happen on the National line steamship wharf, or wharves of that character, when a special assignment might be made for a third man for some time. The third man is supposed to keep the wharf clear, but my experience is that the third man keeps clear himself of the wharf.

By Mr. CASSERLY :

Q. To what extent could the number of inspectors be diminished usefully?—A. I should think fifty; and then it would be the interest of the Government to raise the salaries of the inspectors to \$2,500 a year, and they would get a good class of men there then; and if the laws were enforced which are now on the statute-book, in regard to importation of goods here and in regard to the discharging of steamships, and a strong sustaining power on the part of the collector and of the Treasury Department, to inspectors, it wouldn't take long to make this port a very different port from what it is at present.

Q. If I understand your testimony correctly, it is to the effect that the good men in the force, the good men among the inspectors, are not encouraged in well-doing, but, on the contrary, they fail of receiving, not only encouragement, but support, from their superiors, in a great many cases.—A. There is such a crowd for office that the moment a complaint is made against an inspector, it has been the custom, without any investigation whatever—they will say, "Here is a good chance; we will take off his head and put the man in we want to place there;" and so it goes on in the removals in the inspector's department. There is where the blows have been struck. Well, I don't feel particularly interested, as I would prefer to die than to remain in the Government service all my life-time. I say this: that it is in the power of the collector and of the Treasury Department to make this department so efficient that it will be the strongest arm of the service. Everything commences with the inspector. He is the man who should control. He should be sustained strongly enough, and with such power and strength that these steamship companies, that the merchants, carmen, everybody with whom he comes in contact, should understand that under the law he has power enough to carry out his directions and to compel all parties who should come in connection with him to obey the laws.

By Mr. HOWE:

Q. How long have you been connected with the custom-house?—A. I was appointed February 24, 1869, under Mr. Smythe.

Q. Did you enter the service as an inspector in the first instance?—A. Yes, sir.

Q. And continued as such?—A. I have been continued there as such ever since.

Q. Where were you appointed from?—A. I was appointed from this city.

Q. Had you resided in the city a long time?—A. Yes, sir; I have been here more or less.

Q. You spoke of your assignment to duty on pier 47, and of the resolution that you formed to grant no favors there, but, as you express it, to find out every point. Did you mean to be understood as making an exception of the vessels discharging at that pier?—A. No, sir; I didn't. That was a special duty, to which I was assigned in consequence of that wharf being in very bad order, and it has been on several occasions since; in fact, the surveyor asked me once whether I wouldn't like to go there again; but I think that when you have had that kind of duty once, you feel that you have had enough of it.

Q. It was in bad order?—A. Well, Mr. Senator, they throw out their cargoes—they have enormous steamers, 3,000, 4,000, or 5,000 tons, and they carry these enormous cargoes and haven't dock-room enough for their business. The stevedore is a man named Walsh, who hasn't any more respect for an inspector than if he was not there; but he is wholly under the control of this man Graff and Wood, and obeys their orders, irrespective of what the inspector says to him; consequently the wharf gets so burdened with goods, in the hurry to get their steamer away, that they get into difficulties, and somebody is obliged to go and clear those wharves. It happened in the case of a steamer recently, of which I have forgotten the name; but I know it did happen, when inspectors were sent specially to clear that wharf.

Q. Which line?—A. The National Steamship line—a line there has been more trouble in connection with than any line I know since I have been in the custom-house.

Q. It runs between what ports?—A. Between this and Liverpool. They have a line touching at London also.

To Mr. BAYARD. The owners of this line of steamers are the worthy proprietors of Three-Pipe line of blockade-runners that was so successful during the war, and the this agent, Mr. W. I. Hirst, is the gentleman who had charge of these blockade-runners at Nassau during the war.

By Mr. HOWE:

Q. When you speak of that pier being in bad order, you mean in a state of resistance to the Government?—A. Yes, sir.

Q. That's what you mean?—A. Yes, sir. That is, the goods are not discharged by the steamship company according to the regulations of Government. There is one point that I would like to state here, Senator, while I think of it. The law gives the steamship companies the right to discharge their cargoes from sunrise to sunset. Now this does not all rest with steamship companies. They are not to blame in a great many things. They having the right to discharge from sunrise to sunset, of course have the right to put out all the goods they can get out of their ship within those hours; then, of course, the inspector is supposed, under his regulations, to get all the public-store packages off of that dock in time, previous to closing of public stores. Well, the public store closes at sunset, and where there is a large cargo, of course there is a large number of public-store packages. It is a long distance down there to carry these packages, and sometimes the carts and drays are in line there for several hours, detained at the public store in taking in packages, and the result of it is, that at the steamship wharf, with this forced piling goods out from four or five hatches, they get this dock in such condition that it is impossible for an inspector to control the goods, and while we have regulations that are issued giving us authority to knock off steamers—to stop their working—we have not any moral or physical force standing back of us by which we can stop those steamers from working, and it never has been done, except in the instance of the *Queen*, since I have been in the department, and I wouldn't undertake it again, except a revenue-cutter was laying alongside, and troops on board of her to sustain me.

Q. I don't quite understand the matter of authority; will you please make it intelligible? You seem to say that the vessel had a right to discharge all the goods she could between sunrise and sunset.—A. That the law of 1798 gives her.

Q. But is that right qualified by any legal authority in the inspector to stop the boat's discharging between sun and sun?—A. No, sir; but, for instance, the inspector is supposed to get his warehouse goods off. Now he can't get them into the warehouse when it closes at 3 o'clock. The inspector can't get his public-store goods into a public store when it closes at about 4 o'clock. The inspector generally gets his goods in the general-order stores, because the general-order stores will always keep open for the inspector.

Q. Now, to make it intelligible to me, who am so much less familiar with it than you, you will have to speak about one thing at a time. The right to put the goods from the vessel on to the dock is one thing?—A. Yes, sir; that is given to the steamship company by law.

Q. What to do with the goods after they are on the dock is another question?—A. Exactly.

Q. Now I understand you to say the steamship company, under the law of 1798, has the unqualified and unconditional right to discharge goods just as fast as they can between sun and sun?—A. Yes, sir.

Q. And put them on the dock?—A. Yes, sir.

Q. Now, then, what is the law which directs the inspector what to do with those goods that are thrown off on the dock?—A. I think that's a regulation only of the department.

Q. Of what date?—A. I can't tell what date, especially; there are hundreds of circulars in regard to that point.

Q. What is that regulation?—A. The regulation is that when the—the latest regulation that we have, which entirely conflicts with the law, of course, is that when an inspector finds that he has a sufficient number of goods on the dock for public store, warehouse, and general order, that he shall stop that ship from discharging.

Q. Although it may not be sunset?—A. It may be 10 o'clock in the morning. I can put out, with any stevedore, enough goods out of a steamer to completely block his dock in four hours' time, if he chooses to do it. Then we get instructions from the surveyor's and collector's office, which are in direct conflict with this law, to stop the steamer, because we have got enough bonded goods on the dock, and we can't receive any more and get them in in time. That is our position.

Q. Well, that is embarrassing. Suppose the regulation now withdrawn, the law left to stand, and the steamer went on discharging until sunset, and the inspector found himself unable to get the goods off the pier, what would be the risk of their remaining on the pier?—A. Not any more risk, in my opinion, than in their remaining in a warehouse.

Q. Or any more than remaining on shipboard?—A. No, sir. Now, until these goods are receipted for by the carmen taking them away, the steamship company is responsible for them; they must have a receipt for these goods. This idea, that is brought up for steamer companies, that when an inspector faces a case their responsibility ceases, can never be sustained in law.

By Mr. BAYARD:

Q. My impression is that the bonds have certainly sustained the freedom of the ship from liability after the goods have left her tackles.—A. Who is responsible for it?

Q. The wharfinger, if there is a wharfinger.—A. But the wharfinger is the steamship company. The moment that duty-paid goods pass, they are entirely out of our control; the Government has received its duty for them, and we have nothing further to do with them. Now, I don't intend to bring this case before the committee, as I have very particularly, in a lengthy communication, brought it before the surveyor—Mr. Clark, of the steamship China, of the Cunard company, which will illustrate to a certain extent the rights and powers of steamship companies, and their utter ignoring of inspectors whenever they have an opportunity. On the Cunard dock the steamship China that arrived yesterday—Inspector Benjamin, a very intelligent gentleman, one of the best officers that we have in our department, was accredited with me in the discharge of that ship.

By Mr. HOWE :

Q. Which arrived yesterday?—A. Yes, sir; this was a previous voyage that I speak of. The one, I think, before his last voyage. We took the steamer Wednesday or Thursday, I have forgotten which; but in the afternoon of the day previous, she had what we considered plenty of time to discharge. The afternoon of the day previous to our commencing the discharge of the steamer, we were writing on our permits, just before sundown, and the stevedore of the company came to us, and said, "What are you working at there?" He is a man that uses language not fit to be used before the committee in addressing inspectors. I said, "Well, we are through here, and are not going to work much more." But just at that moment there came about seventy-five permits and thirty or forty orders from Mr. Cunard's office, where they haven't any right to receive an order. These permits and orders are addressed to the inspector, but the brokers and their clerks, and the merchants and their clerks, send their permits down to Mr. Cunard's office, rather than to send them over to the steamship dock. About seventy-five permits and orders came in; we left them there. Mr. Gross told us they were not in a hurry with the steamer, and they did not wish to discharge her until all the permits were entered, and that they did not want to get many goods to general order from that ship that they had plenty of time; to let her lie forty-eight hours. The next morning, at sunrise, Captain Benjamin and myself went there on duty; he recording the permits on his book, and I making tickets. About 7 o'clock a man by the name of Grane, who calls off books on the dock, came to us, and said, "The steamer is taking out goods. They have commenced discharging." There are three wharves, and the steamer lay at the further wharf. We were on the middle wharf, in an office that had lights. The other wharves hadn't any lights, and as the officers were discharging beyond there in a steamer, we asked them to look after the steamer while writing in our permits. I said to Grane, "You go and knock off the steamer. We are not ready to commence discharging her." And he said to me, "You'll have to do that yourself; I can't do that." I went around to the gangway, and told the stevedores who were discharging the cargo that they must stop—cease where they were. The head stevedore not being present, they had about half a dozen cases out of the steamer, and they put them back again. I returned to the office and went on with my work with Captain Benjamin, and while working there, about half an hour afterward, Mr. Gross, the chief stevedore of the Cunard company, came around to our office, using very abusive and violent language, and wished to know why we had stopped that steamer working. I made the remark to him that the understanding with him only the night before was that the steamer wouldn't work until everything was ready; until the permits were ready, and we were entirely ready for the steamer. Turning around, he said he didn't care, using very violent and abusive language—that he didn't care for the inspectors; that they had the general order and would work the steamer in spite of inspectors or of the collector, and he would take the responsibility for the Cunard company. I then went around to the gangway of the steamship and forbid him taking out any cargo. He put one hundred men on, and took six hundred cases of cargo out of that vessel against our earnest protests. These permits were not copied, and in consequence I couldn't seize the goods, because I might have seized goods that had already paid duties, but I went over to the custom-house, and I laid this case before Mr. Benedict, the deputy surveyor, in writing. This paper was signed by Captain Benjamin and myself, making it as brief as I could under the circumstances. It was hurried. I saw the emergency in which we were placed; that our instructions and the laws were actually set at defiance through this stevedore acting for and speaking in the name of the Cunard company. Mr. Benedict read the paper several times, and asked me what I wanted to do about it. Well, I told him that I came to him as advising officer. Our duties had ceased on that wharf. Mr. Gross, for the steamship company, now had taken charge of the cargo, and said they would take the responsibility. The laws had been set at defiance. I had no idea of making a practical demonstration of my strength by bringing my head all battered to pieces to the custom-house, but I had come there now to know what further proceeding we should take with the cargo, having been resisted in this manner, and that all taxes and instructions had been set at defiance. Mr. Benedict said that he supposed that the surveyor would refer the case to

him. He went in and saw the surveyor, and came out. The surveyor was very busy that morning going away. That was the reason I didn't see him personally, and explain the case to him myself. After talking to Mr. Benedict, he said: "Well, you know that there are social considerations, and there is this conflict of authority, and the laws of 1798 were made for sailing-vessels, and were not made for steamers; and these things affected commerce in such a way that we would have to get along under these laws the best way we could. This conversation went on in that manner for some half an hour, and I finally said to him, "Well, what are we to do under these circumstances?" "Well," says he, "the only thing I can say to you about it is to go back and use your own judgment." There we were thrown in that position. The man had taken five or six hundred cases out of the ship, and stopped when he saw me start for the custom-house. When we got back I went right on, entering our permits, as the law directs us, and Mr. Gross came into our office, and asked us when we would be ready to go on with the discharge of the steamer. We said that we would be ready about 12 o'clock. This was about 11 o'clock, and he said he would put his men on at 1 o'clock, so the goods that were on the dock we were obliged to pass the office, as some portions of them were permitted, some portions of them for general order, and some for warehouse, and some for public store. Putting one general-order package out of that ship should have seized her and should have arrested this man Gross under the law. We discharged the cargo and finished the ship, and after our return was in, I again called upon Mr. Benedict—the surveyor still being absent—and asked them what they were going to do about this case. Says I, "There's a great deal of anxiety on the part of inspectors to know what is going to be done here," and he said, "Well, I don't know what to do about it." He told me in the previous conversation that Mr. Clark and himself would have a conference in regard to it, and they would determine what to do, and if they could not determine what to do under the law, that they would refer the case to Washington; then, after talking to him some time about it, he said that they hadn't done anything, and asked me if I would make a statement of the case in writing, with the law on the subject, and the instructions on the subject, and I did so, and that's the last I have ever heard of it. Nothing has been done in the case of as flagrant an outrage as ever was perpetrated by the steamship company upon the United States Government.

By Mr. HOWE:

Q. Now, let us see if it was a flagrant outrage. The law of 1798 cannot be repealed, can it? Can it by a regulation of the Treasury Department?—A. No, sir.

Q. If the law of 1798 authorized this boat to discharge what she could between sun and sun, and she had the order of the collector permitting her discharge, how did she violate the law?—A. There was a positive understanding between this man, who was the agent of the steamship company, that she should not go to work until he came to see in regard to it. If he had come to us and said, "I shall go to work to-morrow morning, under general order," that would have been very different.

Q. Wasn't it a violation of contract, then, rather than a violation of law?—A. The issuing of the general order is a violation of the law itself.

Q. Is that a violation of law?—A. That is so understood. It is so understood by all inspectors, and it is so understood in the department generally.

Q. What do you inspectors understand to be the law with regard to issuing the order to unload?—A. The general order?

Q. Yes, sir.—A. We understand that the steamship company really have no right to the general order unless within the forty-eight hours, although every steamboat gets it the minute she gets here.

Q. And all these general orders you understand to be a violation of law?—A. I do, sir, most assuredly; and I think it should be stopped immediately; and if I was collector of the port of New York, I would stop it immediately too; and there would be no complaint from merchants, the general-order stores would have no complaint, for what should go to general order would go there. There would be enough of it go there.

Q. There would be enough go to general orders, enough unclaimed goods?—A. Yes, sir.

Q. After all the permits were obtained that could be obtained in forty-eight hours?—A. Yes, sir, to make it a very handsome thing.

Q. There is no object in making it a very handsome thing, but the point is this: you think there are, after the expiration of the forty-eight hours, a good many unclaimed goods?—A. Yes, sir. In the case of the *Ville de Paris*, we have just discharged, I think we put about four hundred packages in the store from that ship, and she didn't go to work until the general order was up; that we put into Leet & Stocking's store.

Q. After the forty-eight hours had expired?—A. She did not; no, sir.

Q. And you think there were about four hundred packages sent to general order?—A. Yes, sir; some large and some small; and I recollect one lot of sixty-five cases of wine sent in there. It is important to state in regard to that, to show that there are a great many assertions made in regard to goods getting into general order which are

not so. Now, that permit was issued on the 20th. The wine was for Frank Wirt, of Broad street; it was issued on the 20th, and never reached us till the 24th. That permit was kept in the hands of the broker all the time, and Mr. Wirt, of course, will have to pay his general-order charges; but, from the carelessness of his employés, his goods got into general order. We had four hundred packages, I think.

Q. What was the number of the packages you suppose were on board the ship?—A. Perhaps eighteen hundred; she had quite a large cargo.

Q. Nearly a quarter of her cargo sent to general order?—A. Yes, sir.

Q. After the expiration of the forty-eight hours?—A. Yes, sir.

Q. Do you think that about an average, or more than an average?—A. On some wharves it would not be so much. No, sir; it is not an average.

Q. It is more than an average?—A. I don't think it will be so much on some wharves. I don't think it would be so much on the Cunard wharf. Neither do I think it would be so much on the German wharves.

Q. You say not so much. I don't understand you.—A. I mean so large a quantity.

Q. Then you think this is more than an average?—A. This being a French steamer, I think it is more than an average lot; yes, sir.

Q. Could you give a pretty intelligent estimate as to what would be an average consignment after the expiration of forty-eight hours?—A. Well, I should think that there might be 20 per cent. of the goods.

Q. Now, in one instance you tell us you did intervene and stop a vessel unloading before sunset?—A. Yes, sir.

Q. In the case of the Queen?—A. Yes, sir.

Q. By what authority did you do that?—A. By the authority of the collector and surveyor.

Q. Did or did not the collector and surveyor act in contravention of the boat's rights under the act of 1798?—A. I think they did most assuredly, sir.

Q. Now give us your recommendation as to the method of stopping this conflict—I mean between the law and the regulations of the Treasury?—A. If it is necessary, Senator, I would pass a law stating at what times steamships or all vessels could commence discharging after their arrival.

Q. And directing the speed?—A. Sir?

Q. Directing the speed by which they could be discharged?—A. Well, if you allow a steamship to discharge between sunrise and sunset, or a sailing-vessel between sunrise and sunset, she is entitled to put out all the goods she can get out, and the Government must take care of them, in their warehouse, all that portion of the cargo which is under the control of the Government, and they must take care of that between sunrise and sunset. I see no reason why officers of the Government who are in bonded warehouses should not remain on duty so long as I do, when I have got goods to send in, and Mr. Grinnell did in some instances make stores keep open and get goods from this dock when we were discharging there.

Q. Mr. Young, if the force of inspectors on the docks were doubled, could you then clear the dock, keep the dock clear?—A. I'll tell you what we could do, Mr. Senator. If there were four hatches in the steamer, you could put four inspectors on the steamer; each inspector would have to have a book the same as we have now, with every permit entered upon it just the same as we enter them now, but we would have to have four books instead of one book; they could stand at the hatches and take those goods from the hatches as they come out, and order them to the places on the dock; that they could do. But the Government does not give the steamship companies facilities to take those goods in; there's the trouble. You couldn't keep your docks clear under those circumstances, because the Government warehouses wouldn't keep open, nor your public store wouldn't keep open long enough to put goods in while the steamship company is discharging.

Q. Then the practical difficulty would be in removing the goods from the dock; that is, in carting them away?—A. Yes, sir.

Q. That is it?—A. That's the difficulty; you may put carts enough on this dock to take the goods away, but your warehouses wouldn't keep open to take them in, and your public stores certainly don't keep open to take in public-store packages. Now, I will take the steamship 47 line for illustration. It will take an hour for a dray to drive down from that dock. Well, it drives down straight from the dock at 2 o'clock and gets down at 3 o'clock, and gets in line, finding twenty or thirty drays ahead. He has no chance to get his public-store goods in at all that night, and in very many instances they have to drive their loads down to the barge-office and leave them on the barge-office dock. And now the root of the evil lies as much with the Government in regard to clearing these docks as with the steamship company.

Q. Is there any difficulty with any other portion of the goods? The goods going to bonded warehouses or general order, can they be got off?—A. In general orders it is the interest of the carman to get them there, because he gets cartage on them; he wouldn't get that if they went to warehouses, or were permitted duty paid; and if the steamers lay here forty-eight hours, comparatively, as I said before, the general order

would be small to what it is at present. It would not be worth while for the Cunard company, the Bremen and Hamburg lines, to bring investigating committees here to find out the general-order business, because their stores would have but very little to put into them. Merchants would take their goods away and pay duty on them.

Q. Then you think the carmen could get the general-order goods off and they could get the bonded goods off?—A. Yes, sir. Merchants' carmen generally draw the bonded goods.

Q. Now, what percentage of a ship's cargo do you think ordinarily go to public stores?—A. I suppose about 10 per cent.; one package in ten.

By Mr. BAYARD:

Q. About 10 per cent., did you say?—A. About one package in ten, sir.

By Mr. HOWE:

Q. There are some consignments of a few packages where more than one—?—
A. The merchants are importing differently now from what they formerly did. They import a great many single packages, and it is the custom of the custom-house to order those single packages to the public store. Now, for instance, in this cargo from the Ville de Paris we had, I should think, nearly three hundred public-store packages; that is about one-sixth.

Q. Still, there was a less number of packages sent to the public store than went to general order?—A. Yes, sir; some of these packages were small that went to general order.

Q. If there were equal facilities for receiving at the public store that there are for receiving at the general-order warehouse, there would be no difficulty in getting those goods out?—A. No, sir; not in the least; and you could keep the men then to work.

Q. Now, then, if the Government would do these three things, revise the Treasury regulations which authorize the inspector to interfere with the ship's discharging for one thing, to enlarge properly the facilities for receiving goods at the public stores for the next thing, and increase the inspectors' force on the dock, would there be any need of a collusion then with the boat, or any difficulty in the way of a ship's unloading as fast as she pleased?—A. In the first place, it is not necessary to increase the force of inspectors on the docks, for two inspectors can take the goods as fast as they come out of four hatches, when they are passed out.

Q. Then I will discount one of my amendments.—A. In the next place, if the Government gives the proper facilities at the public store and warehouses, there would be no difficulty. So far as general-order stores are concerned, you can always get goods in there. I will say for Leet & Stocking, they have always been ready to take them; and we have never been delayed, so far as they are concerned, in regard to taking goods into store, and they will do as other general-order stores will not; they will take anything you send to them, and will consider themselves entitled to it, and suppose they have a right to it. I have even sent oranges there; I don't know what they did with them, but my business was to get them off the wharf, when I got rid of them.

Q. I pass from that topic. Then you excited my curiosity about a Mr. Davies, of whom you said several things, and you called him a broker in the custom-house.—A. Yes, sir; he is a broker inside the custom-house. There are a great many of those men who carry their office in a portfolio—and I don't know as he has any office outside—most of them carry their offices in their portfolios, and you will see them standing around the rotunda—that gentleman stands just at the entrance of the circle where the entry clerks go into their business.

Q. What's his name?—A. James Davies, I believe.

Q. You say he has been there a good many years?—A. Yes, sir; he seems to carry this power and authority for a good many years; when I have been coming home from abroad, I have seen him there myself.

Q. Mr. Bayard suggests that I ask you whether he has clerks, and if so, how many, under him?—A. I don't know whether he has clerks or not. I have seen him myself on the steamship wharves. I have been told by an inspector, who called my attention to it this morning, that merchants had told him that Mr. Davies has received money from them for passing their baggage, and I heard Mr. Davies speak to this inspector in a very impudent manner in regard to a Mr. Campbell's baggage, and said that there was one trunk that he had not passed. I know he has as much power and authority on steamship wharves as if he was collector.

Q. Describe this impudence that you say was exhibited by Mr. Davies.—A. It is the impudence of the character of a man who feels perfectly safe in doing everything he chooses on the steamship dock, excepting examining baggage himself. I understand that something has occurred within the last two or three days to take him off. In regard to the testimony of this man who was on the stand yesterday, in the early part of the morning, when he makes the statement that hundreds of thousands of dollars of baggage pass that no duties are collected upon, that is as wide of the mark as any statement that could be made, possibly. That is impossible to be done, as far as baggage is concerned.

By Mr. CASSERLY :

Q. That is the statement made yesterday ?—A. Yes, sir ; it shows the ignorance of the statement.

Q. What do you mean by saying that Mr. Davies was out of the way ?—A. I heard a rumor yesterday that he was not on steamship docks any more ; at all events this inspector told me this morning he was not on the China yesterday ; that he was not there. Things are becoming pretty warm for that class of men about these days.

Q. In consequence of what ?—A. Investigating committees.

Q. Now, Mr. Young, you seem to think that not the right class of men were selected for night-inspectors. What are the responsibilities of night-inspectors, when night permits are not given ?—A. It is the duty of night-inspectors, when they come on a steamship wharf and receive the steamship, they virtually receive the control of that steamship from the day-inspectors. It is their duty, then, to see that nothing is landed from that ship, or nothing goes off that wharf that is on it during the night.

Q. They are watchmen ?—A. They are watchmen and were so designated until a short time ago, several years ago, when they were designated inspectors by an amendment to the law, so that they could make seizures in case anything passed off the wharves. They have always been designated as night-watchmen.

Q. Is there any characteristics of vital importance in them, except that one of fidelity ?—A. Not the least, sir. They have no discharging powers ; they haven't any powers to pass goods ; they haven't any powers to take away papers, or to do anything with them ; that power is vested alone in the day-inspector, under the law, and he is the responsible officer to the Government for that cargo.

By Mr. CASSERLY :

Q. Until it passed the custom-house officer in the dock ?—A. Yes, sir ; and until he gets his receipts for that portion of it which is bonded.

By Mr. HOWE :

Q. Have you reason to believe that the night-inspector is open to approach on the part of anybody connected with the boat or interested in the boat's cargo ?—A. Well, Senator, I will reply to that, that the experience of all officers in that particular is, that when there are a large body of men together, there are undoubtedly men who can be approached. I believe that there are some men in that department as pure as in any department of the Government.

Q. You don't quite comprehend my question. Would there be any inducement on the part of those interested in the boat's cargo to tamper with the night-inspector, and if he were open to solicitation or to purchase, could he grant facilities to the owner of the cargo ?—A. Not in connection with the cargo itself, but he might in connection with goods brought by officers of the ships, for smuggling purposes ; then he could be in collusion with them if he chose to do so.

Q. Why not with the cargo ?—A. The cargo is generally under the—the steamship company generally consider themselves responsible for the cargo, of course, and if a case is lost they have to pay for it, and they have their own trusty watchmen on the wharves at night that look out and control these matters themselves. There would not be much opportunity, but if a man wanted to land goods, silks, or anything that he wished to smuggle, and the night-officers were men that could be approached for money, why, of course, that would be the opportunity at night. I think there should be as much care taken in the selection of these men as in other men connected with the custom-house, and one very important point would be to keep them awake ; I can see no necessity of a watchman when he is asleep.

By Mr. CASSERLY :

Q. Might not ships' stores be handed over the ship's side at night, by collusion ?—A. Yes, sir ; I have no doubt there are ; that question I thoroughly investigated under Mr. Grinnell, and made a good many vessels pay for having stores on board that were not on their manifest. But the ship can bring whatever she chooses as a store-list on her manifest ; she may bring ten puncheons of wine, and a hundred cases of brandy, and as long as it is on her manifest you can't take it out of her and hold it at all. I have had vessels myself where there has been three, four, or five dozen cases of liquor on board, that I have sealed up, that were on the store-list, that I felt just as certain would have been landed here as could be ; but when my duties ceased with the vessel, of course that was the end of it. We never look after a vessel after we leave her ; sailing-vessels we leave when the cargo is out.

Q. Is there not a period, between the discharging of the ship and her loading up again to leave port, when there is no custom-house officer on board of her while the ship is in port ?—A. Yes, sir ; so soon as the cargo is out of her, the custom-house officer leaves her immediately.

Q. Why may not these stores be smuggled ashore during that period ?—A. They undoubtedly are ; sometimes they are caught ; I have caught some myself.

Q. Is the night-inspector drawn from the ship?—A. They have nothing to do with sailing-vessels.

Q. I mean steamships.—A. No, sir. The day and night-inspectors remain with the steamers from the time they enter the port until they sail.

Q. I don't understand you. I understood you to say a while ago that when the ship is discharged the inspectors leave her.—A. I understood you to mean sailing-vessels.

Q. When I say ships, I mean steamships.—A. No, sir. The inspector remains with the steamer from the time she comes here until she departs. Night-inspectors come in at sunset; the day-inspector remains from sunrise until sunset.

Mr. CASSERLY. There is no time when the ship is free from the negligence of the custom-house inspector.

By Mr. HOWE:

Q. I was about to ask you about the pay of those night-inspectors.—A. They get \$3 a day, and they have six hours of duty in twenty-four. There's a pile of them go on the fore part of the night, and another portion the latter part of the night. That's a great deal better pay than we get at \$4 a day, because, seven-eighths of those men, if they are in any way industrious, can work all day, or five or six hours a day to eight hours.

Q. How many hours do the day-inspectors work?—A. In summer time we go on to-day at 6 o'clock in the morning on the steamers, consequently we have to get up about 4 o'clock; then the sun sets about 8 o'clock in the evening—from 7 to 8 o'clock—and we get home about 9 to 10 o'clock.

Q. You were not relieved, then, at all?—A. We get home and get into bed—and get out. We are on duty full eighteen hours, in that way, out of twenty-four during the long season.

Q. Now, explain to me one thing. You say that you have made efforts to detain goods from the general-order store. When the goods have passed you, and have been designated for the general-order store by you as the inspector, and have gone to that place on the pier where the general-order goods are deposited, what authority have you to detain the transportation of those goods?—A. No real authority, sir. Nothing more than that I know the merchant will permit those goods, and that he will come and get them. If he can have facilities for permitting them through the custom-house on the day of the arrival of the steamer he will do it, but if he can't rush his permits through before 3, it will take him from 11 to 12 o'clock next morning before he can pay his money to the cashier. In all cases where I know that a merchant wishes to pay duty on his goods, and that I know they are in the habit of doing it, I have taken that responsibility always, and will while I am in the department.

Q. Is that often the case, that you know when a package of goods goes past your house?—A. Inspectors generally know who pay duties on their goods.

Q. Well, do you know who owns a particular package of goods?—A. The manifest of the vessel shows that, and the dock-clerk of the ship has a full manifest alphabetically placed in his book, prepared by the purser of the ship. That's the way we know it, although we are not supposed to know what is in a manifest, but still we do know it that way, and we are familiar with the marks of the houses—such a house as Mr. Stewart's or Claflin's or Jaffrey's. A large importing house that imports a large amount of goods, we are familiar with. If we shouldn't be familiar with a mark that passed by us, why, of course, it would go to general-order as quick as it would get there.

Q. I am not criticising this habit at all, but I want to find out what the effect of it is, and what the limit to it is. Suppose you, under the impression that a package belonged to Mr. Claflin or Mr. Stewart, and would likely be called for during the day, should mark it to general order, put your round "O" upon it and send it off, and the cartman for that store should offer to remove it, and you should prohibit him from doing it, and after all Mr. Claflin or Mr. Stewart should not call after the package, what would happen then?—A. After a reasonable time I should send it to general order.

Q. Should you feel yourself authorized?—A. One of Mr. Stewart's packages got into general order from the Ville de Paris. He did not get his permit through in time. I don't give Mr. Stewart any greater privilege on any steamship wharf than any other merchant in New York.

Q. No; except that you happen to know his goods.—A. I know all his marks; yes, sir. Then, there is another thing in regard to the matter, that is, of returns where there are two or three hundred permits when one portion of goods goes to general order. It makes a very great deal of extra work for inspectors, and of course we favor ourselves as much as possible in that respect. It is a very arduous duty sometimes to make up returns of the steamer.

Q. I understand you to say that you are threatened sometimes by cartmen?—A. I have been threatened; yes, sir.

Q. That if you detained goods designated to the general-order store-house, you

would be removed?—A. Yes, sir; I have been threatened in that way. I was threatened on Williams & Guion line in that manner. I was complained of to the surveyor in regard to it. Mr. Benjamin replied to the cartman, saying that he had better put his charges in writing; so Mr. Benedict said to me, and they had come to the conclusion that I could take care of myself.

Q. Were you ever threatened by the warehousemen yourself?—A. No, sir; I have never seen, to my knowledge, either Mr. Leet or Mr. Stocking on the steamship wharf where I have been.

Q. Now, you have given an opinion, it seems to me, to have considerable of importance. It is that a very large percentage—you stated, I think, as high as 90 per cent.—of those seizure cases are settled in violation of law?—A. Well, as far as we know, in violation of the law. We know we get nothing from them. When we go to inquire about them, we are told that they are settled, and that there is nothing coming to us. Now, when we make a fair, square seizure, and I find that the seizure has been given up, there must be some extraordinary cause for settling that seizure; there must be corruption somewhere; where it is I don't know.

Q. Have you ever asked for the particulars of the settlement?—A. Well, we are only very humble employés of the custom-house, and when we come to ask for such particulars, it is not at all proper for us to inquire into the whys and wherefores of the settlement.

Q. Are you so humble that you haven't the right to look after your own interest?—A. I am not so humble, sir; but that is the general impression in regard to inspectors, that they have no rights inside the custom-house.

Q. No rights?—A. None that ought to be respected by superior officers. I will say with regard to the surveyor, however, that he sees inspectors righted if it is in his power. Still there are a thousand grievances of this kind, where an inspector makes a seizure, that he does not feel like troubling the surveyor in regard to; lets it go rather than have any trouble about it. I think there are very few seizures comparatively made by inspectors at present to what there used to be; whether it is because there is less smuggling or not, I can't say.

Q. You have an opinion upon that point?—A. Well, I don't know as I have an opinion. I know that if anything comes in my way I seize it, but there is such a thing as going out of your way—to search for articles that you suppose are smuggled, and such a thing as seizing articles that come in your way, without going out of your way to get them.

Q. You expressed the opinion that the moiety system was a bad one?—A. Yes, sir; I think it is.

Q. But you intimate that if the inspectors receive their moieties of seized goods, of the proceeds, actually receive their share, there would be greater diligence than there is now?—A. There might be more vigilance, but if the Government paid inspectors a salary, such as they ought to have, \$2,500 a year, at least, inspectors would consider it to their interest to be as vigilant as they could in that respect, and I think that I would prefer to take a salary, if I was going to remain inspector, of \$2,500 a year, and take my chances of making seizures and let the whole seizure go to the Government than to remain at my present pay, and make seizures as I have been in the habit of making them.

Q. Well, that is your own judgment; put yourself in the position of the Government; if you were the Government and were about to regulate the salary of the inspectors—you know of what material they are made; you know that they may be very vigilant or they may be indifferent, or they may be really careless and they may be dishonest—would you not think there was danger, if you fixed a salary for the inspector and gave him no incentive to extra diligence, that they would fall into the habit of saying, "It is no use to go out of my way; if I stumble over goods which ought to be seized I will seize them, and if they are round the corner I won't turn the corner for the sake of stumbling over them?"—A. No, sir; if you were paying an inspector a salary which makes him anxious to hold his position for a length of time, and by which you can get the right kind of men in the Government service, they would be more anxious and would exert more vigilance in making seizures, and making themselves popular with the Government by detecting frauds than they would under the moiety system, with the present system of removals which we have.

Q. Would not it happen then as now, that the inspector who did the duty which lay before him would pass entirely without animadversion on the part of the Government—would be satisfactory to the Government?—A. You would get men of that class in all departments of the Government: but it would be a very great incentive to an inspector, where he was getting a suitable salary, to do all that he could in making seizures and in conducting his duties as they should be, in order that he might retain his position. His position is the first thing for him to look at.

Q. Would not the inspector say, "My position is secure from the Government as long as I don't neglect my duty; as long as the Government cannot convict me of a neglect of duty my position is secure; but if I exert myself—if I follow on the track

of men whom I suspect of trying to defraud the Government—won't I raise up enemies and make trouble for myself; whereas if I go my way and let them go theirs, and don't seek them out, I will have a peaceable time?—A. That might operate to a certain extent under a civil-service act; but most of the important seizures are made by gentlemen connected with the surveyor on his staff. They are generally inspectors who have the seizing power, and most of the cases of important seizures—where important seizures are generally made—they are made from information given by parties who have become dissatisfied with their share of the smuggling profits, and that information generally goes to the surveyor's or collector's office. The seizures that are made by inspectors are made by inspectors from cargoes or from packages that may have come out of a steamer that they have some information in regard to, or out of a sailing-vessel, of packages that are landed from a sailing-vessel which are not manifested and which are not on the store-list; and those seizures are generally made by inspectors—articles of that kind. All articles that are on the manifest of a ship, if they are not permitted, of course go to general order; but an article that is not on the manifest that comes out of a ship the inspector, of course, has the seizing power to send it in, and he would be just as vigilant in getting in the goods under the new system as he would on the moiety system, because if anything of that kind should pass him there are always enough people looking out for him to report him and have him removed. I suppose the inspectors are the closest watched set of people that were ever appointed under this Government, by everybody; by the Government, merchants, store-keepers, steamship companies, and everybody else.

Q. If it be agreed that it would be advisable to deny moieties to officers connected with the custom-house service, do you see any objection to holding out that incentive to officers like special agents connected with the Treasury Department, but independent of the customs?—A. I don't see why a special agent with good salary should not have just as much incentive to work up cases against merchants, as an inspector who is living on a good salary. They are both employed by the Government, and are supposed to do the duty for which they are appointed. You might appoint a good many special agents that never would work up a case, but you might now and then get a man like Mr. Jayne to work up one hundred cases, where another special agent would not work up one.

Q. But after the importer has run the gauntlet of all the vigilance you can employ in the custom-house, and has got his goods safely into his own shop at an undervaluation, or by any other device, through which he defrauds the Government; after he has proved astute enough to defeat the utmost energies of the whole customs army, would it not be rather difficult to convict a special agent of neglect of duty simply because he did not go into the field and detect the frauds which nobody in the custom-house had detected?—A. Yes; but, Senator, I never heard of a special agent being convicted of anything of the kind.

Q. Of course you never did!—A. That is not the way they do business in the custom-house.

Q. The Government is supposed to employ a certain number of special agents?—A. Yes.

Q. You would advise that they should be paid salaries, and that no part of their income depend upon the result of their labors?—A. As I say, I don't see that there is any more reason why they should receive moieties than the officers of the customs, who have seizing power, and do seize goods. I don't see any more reason why they should receive moieties than the officers of the customs should; not a bit more. I go upon the basis to make the service as pure as possible, outside of politics. That is my theory.

Q. But if these inspectors receive moieties, that does not necessarily make the service impure, does it?—A. Not that I see; O, no, I don't consider that moieties make any service impure, as far as that is concerned. There is a greater incentive, of course, on the part of the high officers of the customs to make seizures than there would be if they didn't receive moieties. Still, I don't know why a collector who had the proper conception of his duties should not be just as anxious to bring up a merchant who was a smuggler, if he *didn't* receive a moiety, as if he *did*, although the general theory is, as they say, "everybody goes for money." That may be the construction put upon it.

Q. I am inquiring now for information, and as you seem to have so independent a view of the whole subject, I am very much disposed to seek information from you. I had an idea of my own upon this subject, that the special agent and the customs officer did not occupy the same attitude—that the law charged the collector and all his subordinates with the duty of doing their utmost to collect the duties, and if the duties are paid in full, then there is nothing for the special agent to do?—A. That would not be; no, sir. If there was no smuggling, the special agent would not have any business.

Q. Now, if the special agent and his subordinates discharge their whole duty and collect all the duties, they have only discharged the obligation resting upon them?—A. That is it.

Q. If you give them a moiety or a percentage for detecting frauds in the revenue, don't you make it their interest to shut their eyes for a little while, or to wink *long* on occasions, for the profit of opening them very wide by and by?—A. Yes; you have struck the point. Under the moiety system it is not for the interest of the collectors, naval officers, or surveyors, or special agents, or inspectors, that merchants should get their goods in so that they can pay the duties to the Government. It is their interest to let them smuggle, so as to catch them if they can.

Q. If that be the case with the collector and with his subordinates, you include the special agent in the same category; let us see if he occupies that same attitude: the special agent may, it seems to me—being entirely independent of the customs service—operate as a check upon not only all the importing class but upon the officers of the customs themselves—his duties commencing—his labors commencing after the customs officers have neglected theirs; it is only the wheat that they let fall that the special agent can gather up?—A. In the manner in which you state it, the special agent would be a great service to the Government.

Q. And if they actually do come into this field and glean rich harvests which have slipped through the rakes of the custom-house, is not the Government benefited just as much as the agent is?—A. Yes, sir; they are benefited, of course.

Mr. BAYARD. You don't mean to say the custom-house officers are rakes, do you?

WITNESS. At the same time that you benefit the special agents you benefit the three highest officers of the customs.

By Mr. HOWE:

Q. I am glad to get your opinions upon these points. Now, one more opinion of yours, and only one: You think the number of inspectors can be reduced?—A. Yes.

Q. I understand you to say by the number of fifty?—A. Yes, sir.

Q. What is the whole number now?—A. About two hundred and fifty. It is necessary, in order to explain that fully, to state that the commerce of the port is falling off in sailing-vessels, and the commerce is being rapidly concentrated into steamers. The mass of these steamers don't remain here over a week. While two inspectors discharge a steamer, it takes one inspector to discharge a sailing-vessel, and there are just as many or more inspectors now than there was previous to the war, when we had 500,000 tons more shipping than England had, and a great portion of that shipping found its way to this port; and of course the number of sailing-vessels that require inspectors has been very greatly reduced; and where a sailing-vessel brought a cargo of a thousand tons, these steamers bring cargoes of three thousand tons. You have fully twenty thousand packages of dry-goods or cases of goods arriving here a week by the sixteen or seventeen steamers that arrive in this port, and you can see how much it has reduced the freighting by sailing-vessels. A great many sailing-vessels come here with nothing but railroad-irons; others with nothing but crates of crockery, and that trade has entirely changed.

Q. But while the number of sailing-vessels is reduced, isn't it true that the steamers make more frequent trips than the sailing-vessels used to?—A. They do; but where it took a month to discharge a sailing-vessel it only takes a week to discharge a steamer, and sometimes as we have been discharging under general order as soon as a steamer arrived here, it takes but two or three days. Then the inspector is released, and he is on the books of the barge-office for another vessel.

Q. Do you know the number of entries of sailing-vessels at this port in a year—about the number?—A. No, sir; I do not. There are thousands of sailing-vessels which arrive here, though, where there are no inspectors assigned to them, and no necessity for it. Most of the sugar-vessels which arrive here are discharged in the stores at Brooklyn, under the supervision of the district officers. They don't require any inspectors. The cargoes go in bond.

Q. As to this opinion of yours, is it hastily formed, or have you considered it?—A. No, sir; that is the opinion which I expressed before the former Senate investigating committee, and I have seen nothing to change my opinion since that time.

Q. Do you know whether the opinion is shared to any extent by the higher officers of the customs service?—A. I have talked with Mr. Grinnell, but I have never talked to anybody else but him, and he was very much indisposed to reduce the force; and he said we must get all the men in the service that we possibly could, for party. That was his idea.

By Mr. PRATT:

Q. You referred in your testimony to the dock-clerk and the authority that the dock-clerk exercises. Will you state by whom the dock-clerk is appointed, and what his authority and his duties are?—A. The dock-clerk is an employé of the steamship company. He takes the appraiser's book of the cargo, which is supposed to be a complete manifest of the cargo, and he sits with us in the office and checks his book of the cargo as the packages pass, the same as we do.

Q. Is that the extent of his authority?—A. Well, in some steamship companies, as

in the case of Mr. Wood, the authority seems to be extended to the stevedores to keep goods in the ship, or to control the ship.

Q. Now, when a merchant has paid the duty upon his goods and has given his permit, and you have designated from your custom-house office on the dock the packages that belong to him and are entitled to be sent to his own warehouse, does, in your judgment, the responsibility of the vessel end at that time?—A. In my judgment the responsibility of the vessel does not end until they get a receipt for the goods. I don't know how far I would be sustained by law in that.

Q. After the packages I have mentioned have passed your office and you have taken the marks and numbers—I am speaking now of those packages that the duty has been paid, and that are not ordered to the public store—then is not the duty of the custom-house officers at an end?—A. I always have regarded that so.

Q. Does anything remain, then, except for the carman of the merchant to cart away his goods?—A. No, sir; and sometimes they are very dilatory in that respect, helping to make the steamship wharves—helping to embarrass the steamship companies in getting out their cargoes. But the steamship company does in some cases store those duty-paid goods if the merchant does not take them away.

Q. Is there any regulation which would prevent a merchant from carting away his goods that are thus set apart for him, at any time during the day or night?—A. During the day there is not. At night the steamship company is supposed to be closed and all business ceases.

Q. Is there a regulation that requires it to be closed after sunset, so that a merchant who has paid his duties and had his cases of merchandise set apart to be hauled to his store cannot get them?—A. Not that I am aware of.

By Mr. BAYARD:

Q. As a practical fact, can they send to the steamship docks and get them after night?—A. I don't think they can, there being no delivery-clerk there to deliver them. It is not a custom which I have ever seen enforced here.

By Mr. PRATT:

Q. I understand you to say that if a vessel is required to remain at the dock forty-eight hours before she commences unloading, a very small proportion of the packages would go under general order?—A. Yes.

Q. Now you state as a great evil, as I understand you, the practice that obtains of a vessel commencing to unload immediately after she has arrived at the side of the pier?—A. Yes.

Q. Now, in that case, allow me to inquire if the goods are sent under general order within forty-eight hours does not the vessel pay all those charges? Is the merchant prejudiced in any respect?—A. That we understand to be the case; but it does not look reasonable to me that the steamship company will bring in two thousand packages of goods here and send them to general order, and in some way get it out of the merchants.

Q. In point of fact do you not understand that the general-order charges are uniformly deducted from the freight bills?—A. That is the understanding, I believe, generally.

Q. The bill of lading of course fixes the price that the vessel engages to bring the goods here for?—A. Yes, sir.

Q. How, then, does the merchant pay for the general-order charges, when the bill of lading has fixed the price of the freight, and the general-order charges are deducted?—A. He does not pay any general-order charges if the steamship company pays them.

Q. Then how does the merchant suffer?—A. He suffers from the inconvenience of having paid his duties at the custom-house, and coming up to the steamship wharf with his permit and finding that his goods have gone under general order, and have got into this store and have to be taken out of it again before he can receive them.

Q. He pays nothing, substantially, for taking his goods out of general order; the cartage has cost him nothing and the storage and labor have cost him nothing, and yet they are a mile nearer the store?—A. You mean bringing them from Hoboken and Jersey City?

Q. Yes. Does he not save really a mile or a mile and a half cartage, under those circumstances?—A. The merchant generally pays, I suppose, no more for bringing his goods from Hoboken than from Leroy and West streets, because the carmen have their specified charges, and they charge so much, whether they draw one distance or another.

Q. That is not the principle which regulates the custom-house carmen; do they not charge by the mile?—A. Yes; they charge by distance; it is a regulation of the custom-house.

Q. In this connection, allow me to inquire, or draw upon your experience so far as to inquire, what proportion of the steamships discharge their cargoes before the lapse of forty-eight hours?—A. I think, in the winter-time, all of them. I think, in the

winter-time, as soon as the stevedores can get out their purchases and get the planks aboard, the goods go ashore under the general order.

Q. As a general thing, during the winter-time, they incur the penalty for the general-order charges?—A. Yes, and of course that is a large tax on the steamship companies, if they pay them; I think they get them out of the merchants somehow. You cannot make me believe that large corporations like the Cunard Company will store one or two thousand cases from a ship and not get it from somebody.

By Mr. BAYARD:

Q. You believe it is an element in the expenses of their business which they get out of somebody?—A. Yes.

By Mr. PRATT:

Q. This never occurs, of course, unless the ship is behind her time?—A. No, sir, not unless she is behind her time, as a general thing, but in winter, from October up to April, it is most always the case; but as I have stated before, if the steamers were compelled to lay here forty-eight hours there would never be any necessity for another investigating committee here, because these steamship companies on the other side would want somebody else to run their stores.

Q. You said something in relation to custom-house oaths. The inference I drew from your language was that you regard them all, or that they are regarded, as a general thing, as a mere formality?—A. That is the case, Senator, with merchants, custom-house officers, and everybody doing business with the custom-house; a man comes in there, and takes off his hat and is sworn, and never thinks any more that he is making a solemn oath as if he were before a court of justice than if he is hung the next minute.

Q. Is the oath read to him so that he knows he has sworn that he has not taken anything in the way of gratuity or bribe during the month previous?—A. No, sir; he signs the oath.

Q. Does not he read it over?—A. Most men that can understand English do understand it.

Q. Do you think that a large proportion of the custom-house officers would voluntarily commit perjury?—A. No, sir; I know of but very few men in the custom-house that I think would commit perjury.

Q. And yet if a man has received a gratuity or bribe and takes that oath, is there any doubt that he has committed perjury?—A. In some sense of the word there would be, and in some sense there would not.

Q. Does this laxity extend to the oath taken by importers or clerks, or their custom-house clerks, upon invoices?—A. Yes.

Q. When they swear that a particular invoice is "just and true," &c., do they ever perjure themselves?—A. Now and then you might find a merchant whose conscience has not been seared by the manner in which things are done in New York at the present time, who would, when he took that oath, feel that he was taking the same kind of oath as if he went in a court of justice, but I think they are very few and far between.

Q. He is liable to take a false oath in two ways; he may import goods that are not in his invoice, or he may undervalue goods that he has imported?—A. Yes.

Q. Now, have you never known of any case where he has been convicted of either of those forms of fraud; have you never known of a case where he has been prosecuted for false swearing?—A. I don't think there is a case on the records of the custom-house since the declaration of independence.

Q. Where a man has been prosecuted for false swearing in the custom-house?—A. No, sir; I have never heard of any such an instance. I have come more or less in contact with business of this character from a boy. I was brought up in the shipping business, and after that was abroad in the same business. I think it is so all over the world, as far as merchants are concerned, connected with the custom-house business.

Q. Did I understand you to say that, in your opinion, the Government loses a good deal of revenue by dutiable packages being brought over by passengers in their trunks?—A. No, sir; I don't think they do. I think, as I stated in the case of ladies that may come down to steamers, that generally they brought over a full wardrobe, and they are passed in that way without the knowledge of the inspector. I think that in such a case as that the Government loses a great deal of duty.

Q. You illustrated your views by stating the case of a wardrobe of a lady amounting to \$50,000, about, of made-up goods, and that the inspector would be paid for handling them gently?—A. Yes. I should say that such cases might have occurred where inspectors might have been paid, but not to my knowledge. There is a great deal of talk about these things, and I think there is very little in it.

Q. Do you understand that a wardrobe of that kind would be duty free?—A. Yes.

Q. Would it, to twenty or fifty thousand dollars?—A. Yes.

Q. And that had never been worn?—A. The supposition is that the lady has worn the dresses.

Q. Whose supposition is that—the inspector's?—A. All custom-house authorities, inspectors as well as others. If I should examine the trunk of the Senator, for instance, and I knew he was a man that was worth half a million of dollars, and his lady brought over a wardrobe there worth \$50,000, I should not consider that I had any right to bring that wardrobe up for duties.

Q. Is that the common construction that is placed upon the law?—A. I think it is.

Q. I notice that Senator Sherman, the chairman of the Committee on Finances in the Senate, a week or two since, in a speech, made an observation that the Government, in his opinion, lost about ten millions of duty per annum from the passing by inspectors of passengers' baggage containing dutiable articles. What do you think of that estimate?—A. I have a very high opinion of Senator Sherman, but I think that his information must have been derived from this person who was on the stand here yesterday, who evidently knows nothing about it.

Q. Is it your opinion that the losses are considerable from that quarter?—A. Very inconsiderable. There are undoubtedly dutiable articles that pass in passengers' baggage, but my impression is, from a very close observation, that inspectors are very thorough, as a general thing, in examining baggage, and that we get most of the articles that are dutiable.

Q. What becomes, then, of the vocation of Mr. Davis, that you have spoken of?—

A. I think that his vocation is gone.

Q. Gone quite recently, as I understand you?—A. Yes; and probably those parties mentioned, if they ever go to Europe again, will have to pay duties on their goods.

Q. I think, when you were testifying on the subject of seizures, you expressed the opinion that it was a common practice to make seizures of goods upon insufficient ground?—A. Well, a great many seizures are made in that way; there is no question about that. Seizures are made upon information, very often, that is brought to the custom-house by men who have quarreled with others who have been in smuggling operations, and those parties being dissatisfied come and make complaint; and in instances where I have gone to make seizures myself, I have found that their statements could not be relied upon; and I have brought goods to the custom-house which have been given up upon representations which were worthy of belief.

Q. Now, what is the process after goods have been seized, and are taken to the seizure-room in the custom-house; what is the trial, I mean, that the goods undergo before they are discharged, where they have been seized upon insufficient grounds?—

A. The first point the inspector has in regard to making the seizure—he seizes his goods and sends them to the seizure-room; the goods are taken into the seizure-room, and he gets a ticket similar to the public-store ticket for the seizure. He then makes out a statement of the seizure on forms that are prepared by the custom-house; two for the collector, one for the naval officer, and one for the surveyor, and if he has had his eyes opened he generally puts his information in up-stairs before he makes out his seizure papers, so as to secure whatever moiety there may be coming to himself, before anybody else hears of it in the custom-house and enters information. Then those goods are appraised. There is an appraiser comes to the seizure-room, and appraises those goods; that appraisement is recorded in the seizure bureau, and also recorded on the back of the seizure papers, submitted by the inspector. Then the goods remain there for a certain length of time, at the option of the chief of the seizure bureau, Mr. Clark, and when he thinks they have remained there a sufficient length of time he advertises them—advertises in the Journal of Commerce, Standard, and several other papers, for a specified length of time, and they are sent to the auctioneer. Sometimes this takes a year, and sometimes it takes six months.

Q. Let me interpose at this point an inquiry. Where these goods have been seized from an individual who claims to own them, and claims that they are not liable to duty, or that the duty upon them has been discharged, and denies, in a word, the regularity or legality of the seizure, what is the mode in which he makes his claim and obtains restoration of the specific article seized?—A. He, generally through a broker or a lawyer, goes to the seizure bureau and makes his representation very often in writing. I think that in amount less than \$500 it is in the power of the collector to settle it; I am not positive on that point, but I think that I am correct. In all amounts over that sum it is necessary to make a statement to the Treasury Department before those goods can be liberated, and in the mean time the man is kept waiting. He may be a person passing through New York, and it takes some considerable time and expense for him to remain here.

Q. To whom does he submit his proof?—A. To Mr. Clark, the chief of the seizure bureau.

Q. And Mr. Clark makes the decision whether the seizure was upon sufficient grounds?—A. If he considers it a case of enough importance, he takes it before the deputy collector, surveyor, or naval officer.

Q. Now, what is the object of the advertisement?—A. The object of that advertise-

ment is for persons, if they have any just right to claim these goods, and feel that they have been wronged, to come forward and claim them. If the goods are not claimed, of course they go to the auctioneer.

Q. Would that advertisement be made when they were seized from a person who claimed to be the owner, and who was constantly clamoring at the custom-house for the restoration of his goods?—A. No, sir; because while a man was clamoring for his goods they would not have put them in the auction sale. That is a case in point in regard to the question asked me about that illegal importation which I have in the custom-house. One party is trying to get it out, and the other is trying, but they will keep at it until there won't be anything left for anybody.

Q. The advertisement is only in the absence of a claimant for the goods?—A. Yes.

Q. Now, theoretically, is there not an indemnity for the man whose goods have been unjustly seized in a suit for damage against those who have seized them—against the inspector or other persons who have seized them?—A. I should suppose that there is under the law, but I have never heard of an instance of that character.

Q. Suppose they were wantonly seized now, and upon no sufficient grounds?—A. I think there would be no redress, except to have the officer removed.

Q. Don't you think that he would be held civilly liable, if he was a man of any responsibility?—A. I think not; I think the Government is responsible for his acts as seizing officer.

Q. Where he makes a seizure without probable cause, and solely in the spirit of his interest, for the purpose of getting a moiety on the goods?—A. That would be very hard to prove that it was made in that way. The man places his information before the chief of the seizure bureau, and after his information is in, he sometimes follows the information through before he makes the seizure, and takes the responsibility; and I suppose that, as long as he is an agent of the Government, for the Government, that the Government assumes that responsibility with him. It is not all seizures that are made that are held by any means.

Q. You expressed a sentiment of discouragement, on the part of inspectors making seizures, because of compromises which were subsequently made, by which they were deprived of any benefit from the seizure.—A. The impression prevails among inspectors that compromises that are made on what they consider good seizures, deprives them of the moiety which they ought to have.

Q. I wish to inquire, in that connection, who makes these compromises?—A. So far as we know, it is done through the agency of the chief of the seizure bureau.

Q. Who does he make the compromise with?—A. He makes the compromise with the party whose goods have been seized, or his agent.

Q. Do you know of any such instance of that?—A. No, sir; I do not.

Q. I speak now of the seizure amounting to more than \$500?—A. No, sir; I only speak now from the rumor, and the prevailing feeling and sentiment that is expressed in regard to it.

Q. If there is a prevailing opinion and sentiment upon that subject, it must rest upon some substantial evidence; now do you know of any instance where the superintendent of the seizure office or bureau has made a compromise of that kind?—A. I do not, for no cases of that character whatever happens; it has never been done in my own case, because I have been very particular about making seizures, and place them in such a manner that very few of them that I have made individually have been given up.

Q. Do you know of any compromises that have been made of seizures until after suit has been instituted against the goods, or against the party who has attempted to defraud the Government of its revenue, and then upon the recommendation of the district attorney and the Solicitor of the Treasury?—A. No, sir; I have not been interested in such cases.

Q. I meant to inquire whether you knew of any compromises that were made outside of this routine?—A. No, sir; I have not been interested in these large things, such as Special Agent Jayne has, that makes your fortune at one clip. I have never got into that part of the business.

Q. Have you ever made any seizures, where compromises were made subsequently, by which you were deprived of your portion of the seizure?—A. Not that I am aware of; no, sir.

By Mr. STEWART:

Q. You stated a little while ago that you had some little difficulty with the steamship companies, and you were also opposed to the present general order; now, what do you say, from your experience as inspector, about allowing steamship companies themselves to have general-order stores?—A. Well, I see no reason why steamship companies should not have general-order stores, as stated by the Secretary of the Treasury, when proper officers are placed in charge of them—Government officers. I see no reason why they should not.

Q. With the present officers, if you could procure perfectly honest officials, what

do you say of that?—A. I think there are a great many honest officers among the store-keepers.

Q. If you could make that universal, then we would have arrived at a solution of all our difficulties pretty much. But that has been one of the troubles, from the foundation of the Government, in the administration of this particular branch of the service—to get men that would be honest at all times, and resist all temptation.—A. There would be no difficulty, if the Government paid the same proportion that merchants pay them.

Q. Merchants have some difficulty, even with high prices?—A. They sometimes do, but they regulate it very quick.

Q. They generally get honest employés?—A. Yes.

Q. But they have but few, and they can watch them?—A. They get honest employés, capable employés.

Q. And they pay them better?—A. Yes; the merchants can appreciate the services of a clerk.

Q. And therefore they pay them better?—A. Yes, sir.

Q. You spoke of the officers of the company, or employés on board of the steamship, smuggling, or desiring to smuggle; would they have greater difficulty or not?—A. No, sir; because that store would be placed under Government locks at sundown, or 3 o'clock; when the store-keeper left it he would have the keys in his pocket, and no one could get in unless he unlocked the store for them; and all the goods that had passed into that store from the steamer would be on the returns of the inspector.

Q. If there was collusion with the steamship company it could only be between the steamship company and the store-keeper?—A. That is the only way.

By Mr. BAYARD:

Q. It could occur that way now?—A. Yes.

By Mr. STEWART:

Q. You don't think there would be any additional influence at the stores if the steamship company had the stores that would give them greater facilities—employing their own laborers?—A. All warehouses have their own employés.

Q. Suppose the steamship company had their employés under their control, and they were disposed to smuggle, would it be easier then to arrange with the store they own than with one outside?—A. I don't think you would run any greater risk.

Q. Would that be your remedy for the difficulty of the general-order system?—A. No, sir; I think that the great remedy for the general-order system is to compel steamship companies to obey the laws of the United States, and sustain a collector in doing it, and sustain all the officers of the Government in discharging their duties.

Q. Requiring them to take the full forty-eight hours before they unload anything?—A. Yes.

Q. Do you think that would enable them to get their permits and get ready, and would prevent a great portion of the goods going into general order?—A. Yes; it would prevent a great portion.

Q. And I can see very well how it would enable you to get ready to unload—how it would enable the merchants to get their permits—but would it not greatly inconvenience the ship when it had a long passage?—A. It would; but I don't see why we should give any more convenience to the steamship companies in our port than any other one.

Q. Isn't it to our advantage to give them all the facilities they can, so as to enable them to do this cheap?—A. It is, of course.

Q. What is brought we want brought as cheap as can be?—A. Yes.

Q. That being the case, and it being a great convenience to them to unload immediately, is there not some way of arranging it so that they can unload immediately, and at the same time avoiding these difficulties?—A. If they do unload immediately you will see there is no chance for merchants to get out their permits, and the goods must go to general order. Now, the only question is, whether it is the judgment of this committee that those goods should go immediately out of the steamer into general-order stores, held by the steamship companies themselves, or whether they should go into general-order stores which are specially commissioned and named by the collector of the port. My impression is that the goods would be just as safe in the steamship companies' stores, with the proper officers of the Government in charge of them, as they would be in any other warehouse.

Q. You suggest that those stores might be kept open longer, so that you could get away your goods more rapidly?—A. Yes.

Q. The appraiser's store?—A. Yes.

Q. You say there is no difficulty with the general-order store; they keep it open?—A. O, no; there is no delay there.

Q. Is there any regulation requiring them to keep their store open after dark?—A. They can always find out; they generally know what goods are coming into their

store, and they always find out when carmen are riding goods into their stores, how many cases are left on the dock, and if the carmen are given facilities to take their goods away from the dock. There is no objection why warehouses should not keep open and receive them.

Q. Is there any danger of larcenies when you take them in the evening?—A. Whole cargoes have been discharged from the steamship and taken into general order in the night.

Q. In the night-time?—A. Yes; hauling day and night until the job is done. That has happened very frequently on the Inman line.

Q. Do they do so now?—A. No, sir.

Q. Is there no danger of larcenies?—A. I have never heard of goods being stolen in that way. That question of night-permits is a question which has been agitated in a great many different forms. While the working of a steamer at night wears out an inspector faster than any other work that can be placed before him, I contend that the goods that are discharged from the steamer at night are far more safe than they are in the day-time, because the inspector has the entire dock to himself. He has the employes of the steamship company there watching everything coming out of the ship, and he has the day and night inspectors who come on.

Q. It is a great convenience to the steamship company to be enabled to unload quickly, is it not?—A. Yes.

Q. So, of course, when they unload before the forty-eight hours are up, they have to pay for it, if they go into general order?—A. Yes; they go into general order.

Q. And still they are anxious to unload and pay those customs—it amounts to considerable money?—A. I suppose where you take out a thousand packages it must of course amount to at least a thousand dollars.

Q. More than a thousand dollars?—A. It is a small estimate, I suppose.

Q. And they are willing to pay this for the privilege?—A. They do pay it, but my impression is that it comes out of the merchant in the long run.

Q. Of course the general consumer pays it?—A. Yes.

Q. But the steamship company, rather than be compelled to lose its voyage, would prefer to do so; would not your rule of requiring this forty-eight hours sometimes inconvenience them so that they would lose an average?—A. No, sir; the Inman line are already adopting the practice of keeping a steamer here, if it is necessary. The stopping of night-permits has produced that result, and the consequence is that it gives the steamer a longer time to discharge a cargo, and fewer goods go to general order.

Adjourned to 8 o'clock p. m.

FIFTH AVENUE HOTEL, NEW YORK, *February 2, 1872.*

General WILLIAM S. HILLYER sworn and examined.

The WITNESS. Mr. Chairman, before the investigation commences I would like to make a personal explanation. You will bear me witness that some time ago (some two weeks) I was subpoenaed to testify before this commission, and I immediately came and saw you, and said to you that my business required that I should go to Washington that night, or the next night, and requested that I should be examined before I went to Washington. I see that one of the newspapers of the city, overhearing a part of the conversation, stated that I said to you that I desired not to be examined until I went to Washington. I would like to have the benefit of that statement, because you will bear me witness that I said I wanted to be examined immediately, because I had to go to Washington, whereas I am reported to be stating, by the New York World, that I didn't want to be examined before I went to Washington.

Mr. STEWART. You were alluded to yesterday by a witness who stated that you knew something, or had something to do with the arrangement with Mr. Bixby.

Mr. BAYARD. I think you are in error on that subject; there was nothing to that effect. Mr. Bixby, I think you mean. I think he said the general came to his house with Mr. Leet and introduced Mr. Leet to him, or something to that effect.

The WITNESS. If you will permit me state in this connection all I know about the matter I will do so.

By Mr. STEWART:

Q. I wish you would.—A. Colonel Leet was a member of General Grant's staff, as has been shown here. He was a particular friend of mine and a particular friend of the late General Rawlins. He was probably less intimate with General Grant than any man on General Grant's staff. He stated to me in Washington that he intended to leave the service and would like to go to New York to engage in some business.

By Mr. BAYARD:

Q. When was that?—A. That was after General Grant's election, but before his in-

inauguration. He said that he would like to go into the general warehouse business when he left the Army. I talked with General Rawlins, whose immediate subordinate he was, about it, and was specially desirous that he should have any proper introduction that he might have in coming here. General Rawlins stated to me that he had asked General Grant to give him a letter of introduction to Mr. Grinnell, who was to be, or was, the collector of the port.

Q. Will you state now how long it was before the inauguration that this conversation took place?—A. I cannot state; the matter has come to my mind only recently. It was about the time of the inauguration.

Q. Was it before the time?—A. I could not state positively about that, even. It was about the time of the inauguration. General Rawlins felt a special interest in Leet, because he had been his subordinate. General Grant was probably less acquainted with Leet than any member of his staff, for the reason that Leet had been detailed as a private to serve under General Rawlins, and, with probably a very short exception, was never in the field with General Grant; never, except as a clerk. I think he was in the field probably during the Chattanooga campaign, which was a short campaign, but during the Vicksburgh campaign he was only a clerk in General Rawlins's service, and during the Potomac or Richmond campaign he was not with him at all. General Rawlins informed me that he had requested the President to give Colonel Leet a letter of introduction to Mr. Grinnell. I had a strong interest and affection for Colonel Leet, and when he came here my recollection is that he stopped at my house. This general-order business was the subject of consideration, I recollect, and either at his request or my own suggestion, I don't know which, I introduced him to Mr. Bixby, whom I had known with some intimacy for years. We were both then politically in accord, and I knew the fact that he had had the general-order business. Leet had no capital and Bixby had. Our families—Mr. Bixby's family and my own—were acquainted, and I went with Colonel Leet and introduced him to Mr. Bixby. What was said I don't remember, except the general fact was discussed that Colonel Leet proposed to leave the Army and come to New York to go into business, into the warehouse business, and thought probably he might get a part of the general-order business. After my introduction of Colonel Leet to Mr. Bixby, I knew nothing at all of any arrangement between Bixby & Leet. I was never advised of the arrangement, and if I had been advised of the arrangement, should certainly have protested against it so long as Leet remained in the Army. I never dreamed of Leet having any interest with Bixby, or any arrangement with Bixby at all, until I heard it in the testimony before the committee last winter. All our conversation was based on the fact of Leet leaving the service and going into business here after leaving the service.

By Mr. STEWART:

Q. You say you had a conversation with General Rawlins about it; did you ever have a conversation with anybody else, about that time, or subsequently?—A. I don't remember at that time that I had any conversation with anybody specially. I am satisfied that General Grant was not aware of the fact of this arrangement between Leet & Bixby.

Q. What makes you think so?—A. I think so, because Mr. Leet, according to my recollection, was my guest at my house, and I knew nothing about it, and some time afterward Mr. Leet spoke to me with reference to what is called the "labor contract" in the custom-house. He desired to have that. A gentleman by the name of William Haw came to me—

By Mr. BAYARD:

Q. Of this city?—A. Of this city, and General Cochrane, and other gentlemen, and suggested to me that Leet was desirous of having this labor business.

Q. Do you mean by General Cochrane, General John Cochrane?—A. Yes; and they thought that he should not wish to have the whole business; that the politicians here expected that some part of it, at least, would be given to party men, and desired me to make an arrangement with Leet by which he should go into partnership with Haw. I spoke to Leet, and he agreed to go into partnership with William Haw, jr.

Q. That is, in the labor contract?—A. Yes.

Q. For the public stores?—A. For the public stores. Some time—a few weeks, I think it was—after this I went to Washington on other business—

Q. Give us the date about that time; what was that time that Mr. Cochrane suggested that Haw and Leet should be partners?—A. I cannot speak with any accuracy as to dates.

Q. About what time in the year—the month?—A. I think it was during the summer of 1869.

Q. That was before Mr. Leet had made his arrangement with Mr. Bixby?—A. I never knew of the arrangement between Bixby & Leet until I heard it in the testimony before the Patterson committee. I suppose it may have been afterward, but I knew nothing about that arrangement; that arrangement would never have been

made if I had known it and could have prevented it. I mean, so long as Mr. Leet was in the Army. I think it was about the time that General Cochrane testifies about the Mudgett conversation, because I know we were all in Washington about that time.

Q. That was in the spring following, of 1870?—A. I think it was about that time; the only way I recollect it is that I know we were all in Washington about that time.

Q. Dates may be important.—A. It was shortly before the time at which the contracts or bids were made to the Secretary of the Treasury.

By Mr. STEWART:

Q. That was in 1870?—A. Yes; that was a matter I hadn't thought of before; it was shortly before the time the bids were made to the Secretary of the Treasury for contracts on labor. The dates may be fixed by telegraphs which I can produce. I went to Washington; I am not sure whether Mr. Haw went with me; if he did not, he came very shortly afterward; I think he went with me. We expected to meet Colonel Leet there. When I got to Washington I found he was not there, and knowing that General Porter was his particular friend—

By Mr. BAYARD:

Q. Whose particular friend?—A. Colonel Leet's. I went to see General Porter about it, and told him that I had made an arrangement with Mr. Haw and Colonel Leet, by which they were to go into partnership in bidding for the labor contract. General Porter informed me immediately that Colonel Leet was in Chicago, and that, by the direction of the President, he had that day written a letter—that day or the previous day—written a letter to Colonel Leet, at Chicago, stating to him that the President specially desired that he should not go to New York, and should have nothing to do with the New York custom-house; that he didn't desire that anybody who had been connected with him should have any connection with the New York custom-house.

Q. This was in the spring of 1870, at some time?—A. Yes; he further stated to me that Donn Cameron, in Pennsylvania, had tendered to Mr. Leet the superintendency of his iron-works in Pennsylvania.

Q. This is what General Porter told you?—A. Yes; with a salary, I think, of \$2,000 a year, with a furnished house, horses and carriages, and the prospect of partnership.

Q. With Donn Cameron?—A. Yes; and the President thought that he ought to accept Donn Cameron's proposition, and he desired that he should. I immediately went back to Willard's Hotel and saw Mr. Haw, and communicated to him what Mr. Porter had said to me—what General Porter had said to me. After a conference, I telegraphed to Mr. Leet, at Chicago, to come immediately to Washington. That telegraph, you gentlemen can procure.

Q. How?—A. If you desire, I have no objection to your procuring that telegraph. It was from the office opposite Willard's Hotel, Washington.

Q. Give us your statement of it.—A. I don't remember the contents of the telegraph, but I think I made an allusion in the telegraph to the facts which I have stated. At any rate I telegraphed that he should come immediately to Washington. Colonel Leet came in response to that telegraph to Washington. I saw, at his request, I believe, or at least I saw the President after he came to Washington. I stated to him the fact that this labor contract was a competitive bid; that I had made an arrangement with Mr. Haw and Colonel Leet that they should put in, I think, in the name of Mr. Haw, a bid for their joint benefit. That, as it was a competitive bid, I didn't see why the President should forbid Colonel Leet coming to New York, if that bid was successful. I had a long talk with the President on the subject, the result of which was—his remark was to this effect: of course, that he had no right to control the action of Colonel Leet, and that if he got this bid he saw no reason why he should not come to New York. The bid was made; it was a higher bid than others bid, and the contract was not procured. I supposed at the time that ended Colonel Leet's intention to come to New York.

By Mr. STEWART:

Q. Was anything said during all that conversation about the Bixby matter; did anybody know anything about that?—A. No, sir; I never knew anything about the Bixby matter until I heard it in the testimony before the committee last winter. Nothing was said by Colonel Leet to me, and that is why I say I am satisfied the President did not know it, because there was no allusion made to it in this conversation, and the whole basis of his coming to New York was based upon the acceptance of that labor bid. Colonel Leet afterward came to New York.

By Mr. BAYARD:

Q. When?—A. It was some time afterward; I suppose you have got data here.

Q. I want you to give your knowledge of it?—A. I not knowing at the time—I knew he came here and rented stores, but as to the time my memory is defective.

By Mr. STEWART :

Q. Was it after this conversation?—A. It was after this conversation.

Q. When he came here he went into business in his own name?—A. I think—my recollection is that he went into business under the name of L. Horton & Co.; I think so. He went, I know, in partnership with a man by the name of Horton, who bonded the stores, and my recollection is that he went into business under the name of L. Horton & Co.

Q. Do you know who composed that company?—A. I knew nobody except Leet and Horton. That is all I knew. I knew from Colonel Leet's statement to me that he had gone into partnership with a man by the name of Horton, who had procured the stores and bonded them.

Q. During the time from 1869 until this conversation occurred in Washington did you see Colonel Leet frequently?—A. Yes; whenever he came to New York, he generally made my house his stopping-place.

By Mr. BAYARD :

Q. How long did that continue?—A. How long did what continue?

Q. This matter of his staying with you.—A. I think, usually, he stopped at my house; he may, occasionally, have stopped at the hotel, but my house was usually his home when he came here.

Q. How long did that habit of stopping at your house continue?—A. After he came here to settle, he and his family came and staid at my house for six months, I suppose; I don't remember, but for some time—until he took a house. I was very intimate with him, and our families were intimate.

By Mr. STEWART :

Q. Notwithstanding this intimacy you have never heard of this Bixby transaction until it came out in the testimony?—A. Never dreamed of it until it came out in the testimony.

Q. Were you at the Arlington at the time alluded to by Mr. Mudgett and General Cochrane?—A. Yes; I was stopping at Willard's, but I recollect the circumstance very well.

Q. You heard of that at the time?—A. Yes; I talked with General Cochrane at the time; my impression is that I recommended to General Cochrane the fact—either to General Cochrane or some one who did communicate to him the fact—that such statements had been made. I was perfectly familiar with the fact.

By Mr. BAYARD :

Q. What statements?—A. I refer to the statements of Mudgett about General Porter; I was perfectly familiar with it; and I was in Washington at the time.

By Mr. STEWART :

Q. Did you have any talk with General Porter at that time about it?—A. I am not sure; either with General Porter or some one representing him; I know the facts. It is so long since that I really don't remember whether I got it directly from General Porter or from Colonel Leet, or some one else; I don't remember. I was perfectly familiar with the facts at the time, and talked with some one about it.

By Mr. CASSERLY :

Q. The facts of this difficulty?—A. Yes, sir; the Mudgett statement.

By Mr. STEWART :

Q. And still you never heard anything about the Bixby matter?—A. No, sir. Mr. Bixby, as I stated before, I had known for years, and I was accustomed to visit his family; whether at Colonel Leet's suggestion or not I don't know; but I recollect going, and taking Colonel Leet and introducing him to Bixby.

Q. Did you know Mr. Lindsay at that time?—A. Yes, very well; I knew that Leet and Bixby and Lindsay, or Leet and Porter and Lindsay, were at that time apparently intimate.

By Mr. BAYARD :

Q. Lindsay and Porter and Leet, you mean?—A. Yes; I recollect very well meeting General Porter one day, when my office was on the corner of John street and Broadway, and Mr. Lindsay's office was on John street—I recollect meeting General Porter one day in New York, on John street, and suggesting to him that—having known him, of course, in the Army—that he should make my office his headquarters when he came to New York when he wanted to do any writing; and he said to me that Mr. Lindsay had been kind enough to offer his office, and he had been making that his headquarters.

Q. When was that?—A. I cannot remember except as I heard—as I judge, by this

testimony, it was about the time, as I can judge, that the Lindsay—about the time or shortly after Grinnell was appointed.

Q. That was in 1869, wasn't it?—A. Shortly after, I know, Mr. Grinnell was appointed. About the time the Bixby contract seems to have been made. I have seen him once or twice, or maybe oftener, at Lindsay's office in John street.

Q. Seen Porter?—A. Yes, sir.

Q. After that?—A. Yes, sir.

By Mr. STEWART:

Q. Was Porter ever here much?—A. Not often, I think; at least I saw him seldom. I don't know how often he was there, but I saw him occasionally. I don't remember.

By Mr. BAYARD:

Q. He didn't make your office his headquarters, but he made Mr. Lindsay's office his headquarters when he came?—A. Yes, sir.

Q. That would prevent your seeing him so frequently?—A. Well, I didn't see him often.

By Mr. STEWART:

Q. You would be liable to see him if he was in town?—A. Yes, I think so. I didn't see him often, on account of the fact that Leet had got, after Murphy's appointment—that he had got the general-order business for the west side of the city and New Jersey. I met Mr. Murphy one day on the street, I think, and he told me that he had received a letter from General Grant, stating that he had been informed that a certain party or parties had procured certain patronage, with the understanding that it was at his expressed, or with his expressed wish, in accordance with his knowledge or expressed wish; that he had never intimated or expressed any desire that anybody should have any such patronage, and that if they had, he desired they should be immediately removed.

By Mr. BAYARD:

Q. Will you please explain; who are the certain parties, and what was the certain business?—A. Mr. Murphy's statement to me of the contents of this letter—I presume that he will produce the letter if you will call him; I don't think that Mr. Murphy said anything, but of course I knew it meant Leet. Whether he said Leet or not, I don't know, but I presume he has got the letter, and it will explain itself, of course.

By Mr. STEWART:

Q. This was after Leet was publicly engaged in the general-order business?—A. Yes. I mentioned the matter to Colonel Leet, and he said he would see about that.

Mr. CASSERLY. It is rather an odd way to prove the contents of a letter when Mr. Murphy has been here every day since we have been sitting.

Mr. STEWART. The witness stated it on his own motion.

By Mr. BAYARD:

Q. We only want to get the fact that when you referred to certain parties and certain business I thought you might be a little more specific.—A. I said I had no doubt he meant Leet.

Q. What was the certain business?—A. The general-order business. That was my impression, that he referred to that. I have no doubt Mr. Murphy has that letter.

By Mr. STEWART:

Q. These are all the facts that you knew in regard to the transaction, are they?—A. I believe that is all; that is all I recollect.

By Mr. BAYARD:

Q. What was your first acquaintance with Mr. Leet?—A. My first acquaintance with Mr. Leet was when he was detailed as clerk at headquarters, at Vicksburgh. I was then a member of General Grant's staff.

Q. Did you continue to be on General Grant's staff throughout the war?—A. No, sir.

Q. When did you leave his staff?—A. I left on the fall of Vicksburgh.

Q. Where was your scene of duty after that?—A. I have been residing in New York ever since.

Q. You came out of the Army at that time?—A. I was with General Grant a great deal during the siege of Richmond.

Q. What rank had Mr. Leet when he was assigned as a clerk at General Grant's headquarters at Vicksburgh, in 1863?—A. He was a clerk detailed from a Chicago battery. I think he was detailed on the recommendation of General Porter.

Q. Had he any rank?—A. He may have been a non-commissioned officer; he was not a commissioned officer.

Q. How long did your acquaintance with him then continue?—A. Up to this time.

Q. You left Vicksburgh, leaving him there?—A. Yes.

Q. On duty as a clerk at headquarters?—A. Yes.

Q. When did you see him again?—A. When he was stationed in Washington.

Q. That was after the war?—A. No; after General Grant was appointed to command the Army of the United States, and went down to assume the immediate command, he left Leet as adjutant general in charge of his office at Washington. Leet was not in the field with Grant at any time, after Vicksburgh, unless it might have been in the Chattanooga campaign. I am not familiar with that, for I was not there.

Q. You don't know whether he saw any service in the field or not?—A. No, sir. My impression is that he did not; but he may have had in the Chattanooga campaign.

Q. How long was your first acquaintance with him at Vicksburgh?—A. During the whole siege.

Q. How long did that last?—A. I think about the 15th of May we invested Vicksburgh, and it fell on the 4th of July.

Q. Was that the beginning of your acquaintance, when he was assigned there?—A. Yes. I never saw Colonel Leet before; never heard of him before.

Q. And you saw him, during that three months, every day?—A. Yes, every day.

Q. When did you see him next?—A. My recollection is the next time I saw him was in Washington.

Q. In what year?—A. Well, it must have been—it was just after General Grant took command of the armies. I have forgotten now.

Q. Eighteen hundred and sixty-four?—A. Eighteen hundred and sixty-four; yes.

Q. Before his campaign in the Wilderness?—A. Yes. I accompanied General Grant when he left Washington to go down and take command of the armies. I was not in the service then.

Q. At that time when Mr. Leet was left in charge of General Grant's headquarters in Washington, and since, your acquaintance has been very intimate?—A. Yes, sir; very intimate.

Q. Were you yourself settled in Washington?—A. No, sir; in New York. A large portion of my business was in Washington.

Q. Will you pardon me for asking you what your business has been since 1864?—A. I have been a lawyer, and have had claims against the Government.

Q. Do you know when Mr. Leet became a colonel, or how he obtained his rank?—A. I think he became a colonel after General Grant became General of the armies—a lieutenant colonel. He was captain first, and then, I think, under what is called the staff rank of the Army, he was a lieutenant colonel.

Q. His services, as you have stated, were simply of a clerical nature?—A. Yes, entirely.

Q. When did you first know Mr. Lindsay?—A. I think I became acquainted with Mr. Lindsay—I don't remember where I first met him. I think I met him at City Point or at Washington.

Q. Was that the time that General Grant had his headquarters at City Point?—A. Yes. It was either there or at Washington. I spent a great deal of time at City Point.

Q. Was Mr. Lindsay at General Grant's headquarters when he was at City Point?—A. Yes.

Q. With you?—A. I am not sure that I met him there. My impression is that I did. When I went to City Point I was a guest of General Grant, and Mr. Lindsay was agent for some gun, I think.

Q. He was down there at that time; did you see a good deal of him at that time?—A. I have seen him frequently.

Q. That was in what year?—A. During the years 1864, 1865, and ever since I have known Mr. Lindsay; I have met him very frequently ever since I first saw him; my impression is now that I was introduced to Mr. Lindsay by Mr. Chadwick, in Willard's Hotel, in Washington. I am not sure, although I may have met him at City Point. I know the fact that he was there.

Q. Do you remember meeting him there?—A. I don't remember it, but I think it is likely I may have.

Q. When did the intimacy between Porter and Lindsay grow up?—A. I don't know of any until after the war. I don't know of any intimacy still, except the facts that I stated.

Q. You stated the fact that Mr. Porter chose to make Lindsay's place his headquarters in New York in preference to your office?—A. Yes, sir.

Q. Was General Porter on General Grant's staff at the time you served there?—A. No, sir; not until after Vicksburgh.

Q. You never served together upon the staff?—A. No, sir.

Q. Was General Porter on General Grant's staff when you were at City Point and met Lindsay there?—A. Yes; I tell you I am not sure that I met Lindsay there; I have a general impression that I did, but I may not have done so.

Q. Your mind has been brought to bear upon it for a few minutes; see whether you don't distinctly recollect seeing him there at that time?—A. I don't recollect distinctly

meeting him there, although I have a general impression that I did—although I do not now recollect any circumstances. I knew him at that time, I know.

Q. General Porter was there, however?—A. Yes; General Porter was there.

Q. How long after Mr. Grinnell was collector did this conversation occur, in which General Porter expressed his preference for Lindsay's store as his headquarters instead of your office?—A. It must have been very shortly after Grinnell's appointment.

Q. Was Mr. Porter very often in New York about that time?—A. Not that I am aware of; I met him rarely; I might probably have met him three or four times; I don't know that I met him oftener.

Q. Was that just after Leet's business here in search of civil employment?—A. Shortly after; yes, sir.

Q. Was it during that summer that you met him here three or four times?—A. That is my recollection.

Q. When a man uses the phrase that he needs a headquarters, it would seem to indicate that he had frequent occasion for the use of a place?—A. Not necessarily, I don't think. A gentleman, a friend of mine, comes to New York from Washington here, and I meet him; it is my usual custom to say to him, "You make my office your headquarters while here; if you want to meet a friend or write a letter come in there." I didn't understand that his making his headquarters was necessarily an intimacy, because it is a courtesy I extend to anybody that I meet in Washington who I knew was in an uptown hotel; anybody that I have known that I regard.

Q. Anybody that you are on intimate terms with?—A. No, sir; persons that I am not intimate with. I would here say to you that, if I should happen to meet you, that I would be very glad to have you do so.

Q. I would be very glad to avail myself of it when the opportunity occurs, but it would be upon our acquaintance, at least of some sort, that you ask it?—A. Of course; if I had made your acquaintance in Washington. I take, for instance, Senator Stewart; if I had met him down town, I should say to him—I believe I have said so since he has been here, if he had occasion to use my office.

MR. CASSERLY. You see we don't know how intimate you have been with Senator Stewart.

By Mr. STEWART:

Q. You didn't get intimate any more rapidly than Lindsay, did you?—A. I knew General Porter well enough, of course; I knew him as a staff officer of General Grant; I knew him well enough to ask him to my house and introduce him to my family, and to ask him to make my office his headquarters.

By Mr. BAYARD:

Q. And having the invitation from you, he preferred to go to the office of another person—Mr. Lindsay's?—A. He had made the same proposition before me.

Q. I want to ask you when it was that Leet first spoke to you, as his personal friend, in regard to retiring from the Army and going into the warehouse business in New York?—A. The first conversation I had with him on that subject was in Washington, and, I think, after the election of General Grant to the Presidency.

Q. That occurred in the fall of 1868?—A. I think so.

Q. How long after the election was that, and how long before the inauguration; the two dates may perhaps assist you?—A. I think the matter was talked about every time I met him, and I was in the habit of being in Washington at least once a month.

Q. He was then stationed at headquarters?—A. Yes; he told me that he was going to leave the Army, and the matter was discussed of his coming to New York and going into the warehouse business, but as to any particular conversation now I have no recollection.

Q. I think you also used the phrase "something about the general-order business," at that time?—A. In this conversation the matter of the general-order business was talked of.

Q. It was discussed?—A. Yes, sir.

Q. Were you aware of the fact that he personally had discussed this business with the President—I mean the President that afterwards was—General Grant?—A. My impression was that he never had.

Q. His evidence before this committee is—A. It astonished me very much.

Q. It states the fact that he had the conversation with General Grant about two months before his inauguration as President.—A. He never mentioned it to me; he never informed me of that fact, and I never knew it until I heard his testimony here.

Q. You say you had conversation with General Rawlins, and that he was aware of Mr. Leet's plan in respect to the general-order business?—A. He was aware of the fact that Mr. Leet expected to come to New York, and he desired that he should have, if he could get it, a portion of the general-order business.

Q. The letter that Colonel Leet has produced from the President—an autographic letter—was written, I think, on the 18th of March, 1869?—A. Yes.

Q. How long before that was written did Mr. Leet tell you, and did General Rawlins tell you, that they were to apply to Mr. Grinnell for that; how long after the first conversation that Leet had with Rawlins about it, and yourself, was it agreed upon that Mr. Grinnell was to be the recipient of the letter?—A. I don't know the fact; I don't remember the fact that any such statement was made to me.

Q. Did you not say to the committee that a letter was to be requested from the President to Mr. Grinnell to assist him in this matter, prior to Mr. Grinnell's being collector?—A. No, sir. I simply stated that General Rawlins told me that he had requested of the President to give Leet a letter to Mr. Grinnell, not to procure the general-order business, but a general letter of introduction; but it was with reference to his coming here and looking in the warehouse business, and expecting from that letter that he might procure a portion of the general-order business.

Q. It was written to Mr. Grinnell as the prospective collector?—A. As to the prospective collector. My recollection was not the fact that it was given to him before Mr. Grinnell's appointment. I didn't remember about that. I knew the fact. General Rawlins told me that he had requested the President to give a letter to Mr. Grinnell for Leet. Whether it was before the appointment of Grinnell, I don't recollect.

Q. As that fact has been stated by Mr. Leet himself, and the letter produced—the original letter—we are at liberty to state it to you as a fact from which you can make your own statement now, that the letter was written by the President to Mr. Grinnell prior to Mr. Grinnell's being nominated for the collectorship.—A. I say that is a fact that you know.

Q. I know it from a statement of Mr. Leet, and merely mentioned it as a fact.—A. My own impression would have been, if I hadn't seen that testimony, that it was written after Mr. Grinnell's appointment, but as the testimony shows it was written before, I, of course, presume—

Q. Were you in New York when Mr. Leet came on with that letter to Mr. Grinnell?—A. Yes, sir.

Q. Did he come to your house?—A. I believe so.

Q. I understand you to say that he ordinarily made your house his home?—A. Yes; General Rawlins and Colonel Leet both generally stopped at my house, although he may not.

Q. After he came here they came and staid six months with you?—A. Several months; yes.

Q. Did you see that letter of General Grant's to Mr. Grinnell?—A. I don't think I ever saw it.

Q. Were you aware that Mr. Leet had it at the time he first brought it here?—A. I must have been; yes, sir. I knew he had a letter.

Q. And he then was your guest?—A. That was my impression; he may not have been on that occasion, but I presume he was.

Q. Did you know a Mr. George W. White?—A. Yes; very well.

Q. Was he a friend and acquaintance of yours and Mr. Leet's?—A. I used to buy clothes of him. I had a business acquaintance with him, and that is all.

Q. Did you know Mr. Leet and Mr. White were well acquainted?—A. I knew they knew each other; how well I don't know.

Q. Are you aware whether Mr. Leet became aware—are you aware that the suggestion of associating himself in business with Mr. Bixby came from Mr. White to Mr. Leet?—A. No, sir; my impression is that it came from myself. I knew Mr. Bixby had been in that business (when Mr. Johnson had been in office) with Mr. Humphrey, who is a member of Congress from Brooklyn; and Mr. Bixby came to Washington—I was a political supporter of Mr. Johnson—and at their request went with Mr. Johnson to see the President about this very same subject—the general-order business.

Q. You speak of the President when you say "supporter"?—A. Yes, sir. Mr. Humphrey was a member of Congress from Brooklyn at the time. It was a time when it was a little uncertain which way republican gentlemen were going, and Mr. Humphrey felt a good deal of interest in the matter, and Mr. Bixby was there, and I went up with him and some other gentlemen to see President Johnson; and about that time, I think, I became acquainted with Mr. Bixby. Mr. Humphrey's brother had been pastor of my church in Kentucky, and I knew him in that way. He was a brother of the Reverend Edward Humphrey, of Louisville.

Q. A certain degree of religious influence?—A. Yes; at least that was the suggestion of our acquaintances.

Q. You say that it was at your suggestion that Mr. Leet sought the acquaintance of Mr. Bixby in connection with the warehouse and general-order business?—A. That is my impression. I knew that Leet had no capital, and I knew that Bixby had the capital and had the stores, and had the knowledge of the business, and my impression is that I suggested to Leet that he had better go into partnership with Mr. Bixby. But I wish to state that it was with the distinct understanding that he was going to leave the service; and I never, if I could have prevented it, would have permitted him to make any contract with Bixby while he was in the service.

Q. It occurs to you, as to the most of us, that it was a highly improper thing for a man in the service to engage in a civil employment where he was to gain through his connection with the Government?—A. Yes.

Q. Do you remember your interview and your visit to Mr. Bixby's house, when you took Mr. Leet there to introduce him?—A. I remember going there.

Q. Do you remember about the dates?—A. I presume Mr. Bixby is correct. Not having any personal interest in this matter my memory of dates would be very inaccurate.

Q. You agree with Mr. Bixby as to the several dates?—A. I have no doubt he is correct.

Q. Did you introduce Mr. Leet to Mr. Bixby?—A. I did.

Q. Did you broach the subject to Mr. Bixby?—A. My impression is that the subject was broached there.

Q. When you say the matter, do you mean the project of Mr. Leet's engagement in the warehouse and general-order business with Mr. Bixby?—A. The fact that Mr. Leet intended to leave the service, and that he desired to come and go into the warehouse business in New York; that he desired to have a part of the general-order business, and wanted to talk to Mr. Bixby as to what arrangement they could make to go into partnership.

Q. How long did the interview last?—A. I don't recollect. We called at Mr. Bixby's house, corner Fifth avenue and Forty-second street. I don't recollect now; we might have been there half an hour or two hours.

Q. The object of that was to negotiate for this very business—the warehouse business with the general order?—A. The object was that I should introduce Mr. Leet, and state the object for which they should make their negotiations afterward. I never talked with either of them afterward on that subject.

Q. The object of that was that the general-order and warehouse business was to be carried on between Bixby and Leet?—A. Yes.

Q. You say you never again had an interview with them separately or together, on that subject?—A. I am very positive that I never talked with Mr. Bixby, and I never knew that Mr. Leet had.

Q. How long did Mr. Leet remain your guest on that visit?—A. I don't remember; it may have been a day or two, or a week; I don't now remember. Leet frequently came from Washington to New York. I think sometimes he stopped at a hotel, and sometimes with me.

Q. Did he come to New York frequently within the next ten months after that?—A. I think he did, frequently; yes.

Q. And generally came to your house?—A. Yes.

Q. How long were those visits—how long did they occupy during that time?—A. Well, my general recollection would be, two or three days at a time.

Q. And during that time you say that he kept studiously secret from you the fact that he had made this arrangement, and was then enjoying a part of the fruits of the general-order business?—A. I didn't say "studiously." I say I never knew it, and he never told me of it, and I never dreamed of it; the fact whether he studiously kept it from me, or whether he considered it a matter of his own business, that I had no concern with—

Q. I didn't mean to suggest any words to you.—A. It was never told me, and I never knew of it, and never imagined it.

Q. And yet at the same time I understand you to say that you had really an affectionate regard for this young man?—A. I was intimate with him.

Q. And he was making your house his home when he came to New York?—A. Yes.

Q. He consulted you in regard to this business, and after he procured it he told you nothing about it?—A. Yes.

Q. Do you think the statement is overcharged when I stated it to be studiously kept secret?—A. Well, I am very much surprised myself that I was not apprised of the fact, but I certainly was not.

Q. When did Colonel Leet leave the Army?—A. I believe he has stated that he resigned or was mustered out on the 1st of August, 1870. I don't remember the dates.

Q. I believe his statement here is that he tendered his resignation in the spring—the 1st of March, I think—in the spring of 1870, to take effect on the following September.—A. His testimony undoubtedly is accurate in that. I don't remember.

Q. How often, did you say, during 1869, he came on here?—A. I should think as often as once a month, although that is only a general impression.

Q. He generally staid at your house?—A. I think so; if he didn't stay, he was always at my house when he came.

Q. When did he begin to talk to you about the labor contract?—A. This was in 1870, I think; you have got some testimony here about the time.

Q. It was about the time, you say, that Mudgett and Cochrane had the interview with Porter?—A. Yes, sir.

Q. At the White House?—A. Yes, sir.

Q. In the spring of 1870?—A. Yes, sir.

Q. Along in May or early June?—A. Somewhere along there.

Q. Did you make Mr. Haw acquainted with Leet?—A. I think so.

Q. I understand you to say that you made the suggestion that the labor contract should be taken between them?—A. In response to a suggestion of Mr. Haw, I communicated to Colonel Leet Mr. Haw's suggestion.

Q. And you didn't know at that time that Mr. Leet was already enjoying the general order?—A. I did not.

Q. Did he state to you that he desired particularly to obtain this labor contract?—A. Yes, sir.

Q. Did he state to you still that he was desirous to obtain some employment, by which he could retire from the Army?—A. Yes; he stated to me that he intended to leave the Army, and desired the labor contract.

Q. He stated nothing about the fact that he had the general-order business?—A. Nothing at all.

Q. You say your suggestion was that Haw and Leet should make a bid in a copartnership for the general-order business; do you remember what the first bid was?—A. I don't remember now.

Q. You say that the bid that they finally made was made by Haw in Washington, and was higher than the bid which obtained the contracts?—A. Yes.

Q. Do you remember the figures?—A. I do not.

Q. Are you aware of the fact that Mr. Leet and Haw had previously tendered a bid to perform this labor at \$75,000, and that subsequently Mr. Haw, in Washington, raised the bid to \$90,000?—A. My recollection is that all the negotiation as to the amount of the bid was in Washington.

Q. You yourself made the suggestion of the copartnership?—A. I communicated the suggestion to Mr. Leet.

Q. To Mr. Haw?—A. From Mr. Haw.

Q. You brought them together?—A. Yes, sir.

Q. What was there in Mr. Leet that made you advise Mr. Haw to go into business with him?—A. Mr. Leet was my personal friend, and I desired that he should get some profitable employment. Mr. Haw being a friend of Governor Fenton's and General Cochrane's, and other politicians here, I thought that it would be better for Mr. Leet to take one-half of the interest and not offend the politicians, so that they could have the political influence of the New York politicians, and at the same time Mr. Leet might get the benefit of half the loaf.

Q. I understand you when you went on you found Mr. William Haw, jr., who you say was a Fenton man at that time?—A. I don't say a Fenton man; he was a friend of Governor Fenton's. Governor Fenton had promised to see the Secretary, and advance his interest in this matter.

Q. He was then at "one" with Mr. Fenton, politically?—A. Yes.

Q. This was in the spring of 1870?—A. I believe so.

Q. Mr. Leet was then in Chicago?—A. When we got to Washington—I went to Washington on other business, and I have forgotten whether Haw went with me or he came there, but we were in Washington together.

Q. And Mr. Leet was in Chicago?—A. Mr. Leet was in Chicago.

Q. Was that upon business of a public character?—A. My impression is that it was to see his family. I am not sure about that.

Q. Any public contract connected with his visit to Chicago?—A. No, sir; not that I know of.

Q. I understand you to say that you saw General Porter, and that General Porter—was it with you that he saw the President, and you had a consultation upon Mr. Leet's affairs?—A. No, sir; I went to see General Porter with reference to this Haw and Leet matter, and when I saw him he told me that he had that day, or the previous day, dispatched a letter, under the dictation of the President, to Colonel Leet, stating that he specifically desired that he should not go to New York, or have anything to do with the New York custom-house.

Q. What was General Porter's official position or connection with the labor contract, that you saw him in regard to contracts for it?—A. I saw him simply as a friend of Mr. Leet's.

Q. As his personal friend?—A. Yes.

Q. He and Leet were intimate?—A. Yes.

Q. That is, Colonel Leet's personal affairs had been, previous to that, the subject of conversation between the President and General Porter, which led to the President sending this letter or dispatch to Chicago?—A. That of course is inferential. I know officially from the President that he had directed such a letter to be written.

Q. Then Mr. Leet's private interest, as connected with this labor contract, had been a subject of conversation between the President and General Porter prior to that time?—A. I don't know about the labor contract; but it must have been as to his coming here and having anything to do with the New York custom-house—the labor

contract, I don't think, was specified in this letter; but the fact that he didn't desire that Leet should have anything to do with the New York custom-house.

Q. Now, I understand that it was in respect to Mr. Leet's private affairs that the President and General Porter had been in consultation, and as the result of that, the President had directed Porter to write to Leet at Chicago, telling him that he specially desired him to return, and that he didn't desire him to have anything to do with business in New York connected with the custom-house?—A. The only fact I know is that General Porter told me that the President had asked him to write a letter. I don't think he said anything about a consultation, but simply that he had directed him to write a letter to Leet; that he didn't desire him to come to New York; that he specially desired that he should have nothing to do with the New York custom-house.

Q. Can you tell us the fact as to the President having another conversation with you upon the same subject?—A. Afterward, that was.

Q. How long afterward?—A. I then sent a telegraphic dispatch, which is on record. Of course I don't remember what the dispatch was, except that he was to come immediately to Washington, was one point; the only reason that I felt an interest in it was, because I had been negotiating the arrangement with Haw.

Q. The third fact is that before he came, or whenever it was you saw the President, you explained to him the nature of this labor contract?—A. Yes, sir.

Q. When was that?—A. That was within three or four days after this conversation, for Leet came immediately.

Q. You mean the conversation between you and General Porter?—A. Yes, sir; probably three days. Leet came immediately.

Q. Was Mr. Leet in Washington when you had the conversation with the President?—A. He was.

Q. Was he present?—A. He was not.

Q. You say it commenced with the President, by your explaining to him what the labor contract was, and it was a fit and proper thing that he should have it?—A. That it was a competitive thing, and consequently no man could presume to obtain it through any influence, as it was a bid open to anybody.

Q. And that the President was satisfied that Leet should come here and get it, if he could?—A. Of course. The President said, "I have no right to control Mr. Leet's action; if this matter is in that shape, I see no objection to it, but I don't want any man to go to New York, and get any patronage from the custom-house, under the supposition that he does it through my influence or friendship."

Q. How long after that was the letter from General Grant to Mr. Murphy, desiring him to turn people out, or something of that kind, who had gotten this business through his influence?—A. I don't recollect when Mr. Murphy was appointed, but it was some months afterward.

Q. I believe in the fall of 1870, if I remember right.—A. Some months after Mr. Murphy's appointment.

Q. I understand you now. We have got to that time when you satisfied the President that it was right for Leet to enter into this competition for the labor contract; that was in the spring of 1870; how long after that did Leet come to New York to hire warehouses—use your own phrase?—A. Well, I cannot probably state within three months even; it was some time before Mr. Grinnell's removal.

Q. Was he your guest at the time he came on for that purpose?—A. I think so; I am not sure about that.

Q. Did he inform you of his leases of various warehouses?—A. Yes, sir; of only one warehouse at that time, I think.

Q. Did he inform you that Mr. Horton was his only partner in that business at that time?—A. I am not sure; my impression is that he told me. I know that he told me of Horton, but whether Stocking was at the time I don't recollect. I recollect very distinctly that Mr. Horton, he said, and he told me the terms of the contract at the time. I am not sure whether I didn't draw the contract. If I didn't draw it, I think he submitted the contract that was made.

Q. Was that the first information that you had that he had any interest in any business of a warehouse character in New York?—A. That was the first intimation that I ever had that he had anything to do with the warehouses of New York.

Q. Did you ever see the articles of copartnership between Horton & Leet?—A. I think I did.

Q. Who were the copartners?—A. I think Horton and Leet. I am not sure now who else. I am not sure whether Mr. Stocking was at that time or not.

Q. Did you know Mr. Stocking at that time?—A. Yes.

Q. How long had you known him?—A. I don't remember. I never knew Mr. Stocking until about the time—I think I never knew him until after the President was inaugurated. I may have known him before. I knew him after this cartage business came up.

Q. Did you know him then?—A. I knew him as connected with it. I was not intimate with him at all.

Q. Had you knowledge that he had competition in the cartage business?—A. I only knew the general fact that there was a cartage bureau, and he was at the head of the bureau.

Q. When you say you had seen the articles of copartnership between your friend Mr. Leet and Mr. Horton, do you or not say whether there were others mentioned in this partnership except Mr. Leet and Mr. Horton?—A. I am not sure whether Mr. Stocking was or not. My impression is that he was.

Q. Was there any intimacy between Leet and Stocking, so far as known to you?—A. I have often seen them together.

Q. Did Stocking come to your house with Leet when he came there?—A. I don't know whether he was ever at my house or not. I had no special interest in Mr. Stocking or acquaintance with him.

Q. When in that year did Mr. Leet bring his family to your house?—A. I really don't remember, but when he first brought his family here he brought them to my house.

Q. Was that at the time when these articles of copartnership were shown to you?—A. That was long after.

Q. His family were not in New York when the Horton copartnership was formed?—A. I think not.

Q. How long after that was it when he brought his family to stay at your house?—A. I think some time after, although as to dates I am not accurate.

Q. Do you remember whether they left your house in the spring or fall of 1870?—A. I know that Colonel Leet's testimony is correct on that point; I looked at it at the time.

Q. You say his family remained with you, living as your guests for some months after the Horton partnership?—A. Yes; they boarded with me; they paid—he paid his proportion, or, as you call it, the "mess;" we counted up, and he paid his proportion of the expenses.

Q. I understand you that in the spring of 1870 you told General Cochrane about Mr. Mudgett's remarks?—A. I say I am not sure; I have talked with General Cochrane, I think, on the subject; whether I have communicated with him or not, I don't remember positively.

Q. Are you quite clear in your recollection that it was your information to Cochrane?—A. No; I say I am not; I don't remember distinctly, but I know we talked about the matter.

Q. Who?—A. General Cochrane and I.

Q. That was before the explanation of Porter and Mudgett?—A. Yes.

Q. I understand you to say also that Leet might have told you about it?—A. I say I don't recollect that Leet did; my recollection of it is very indistinct, except the fact that I talked with Cochrane about the matter; as to where I got my information, I don't remember.

Q. Your business led you to Washington frequently during that time?—A. Yes; I was there every month.

Q. Your relations with Leet were those of intimacy?—A. Very.

Q. With General Cochrane?—A. When we were together.

Q. Did you go frequently to the White House?—A. Yes.

Q. Did you see General Porter there?—A. Yes; I have never been intimate with General Porter.

Q. You saw him there?—A. Yes.

Q. And you did talk to General Cochrane upon this subject of Mudgett's statements in regard to Porter, before Mudgett and Porter had the interview which Cochrane witnessed?—A. I think so.

Q. And you say that Leet may have told you about Mudgett's statements also?—A. I say that he might, or any other person might.

Q. It was a subject which, after all, hinged upon Leet very much, was it not?—A. I think it was more applicable to General Porter.

Q. Wasn't it through Leet that Porter was alleged to have connection with this general-order job—was not that the subject of Mudgett's statements?—A. I don't remember that it was a general-order job; my recollection was that it was a general statement that Porter had received some profits in some way from something.

Q. From what?—A. I don't remember what, now.

Q. Was not the substance of Porter's explanation that he had heard that Mr. Mudgett had charged him with being interested in this business with Leet, and receiving a portion of the profits?—A. Well, I really don't remember; I recollect that there was a general talk that Mudgett had charged that Porter had received—it must have been, of course.

Q. What do you understand was the charge that Mudgett had made, to which Porter took exceptions?—A. I have no distinct recollection of anything, except a general recollection that a charge had been made.

Q. What was the charge?—A. That Porter had received money in some manner, shape, or form.

Q. From whom?—A. I think, from Leet.

Q. For what business?—A. That I don't remember, but something in connection with the New York affairs.

Q. Was it not the general-order business?—A. I am not sure about that.

Q. I ask you now, was it any other business than the general-order job, as I have termed it?—A. I know that whatever these gentlemen state, I regarded at the time—I regarded the charge as utterly frivolous; I didn't believe it, and therefore it didn't make the impression on my mind which it may have made at some later period.

Q. Now, you will pardon me for going back and asking you for an answer which I know you are so able to give: Will you inform me what General Cochrane or Mr. Mudgett said on that subject?—A. That is taxing my memory. My recollection is indistinct. I have talked with Mudgett and Cochrane, both, about this matter, time and again.

Q. Long before the talk with Porter?—A. No; since. I mean I don't know that I talked with Mudgett at that time; I talked with Cochrane.

Q. I mean before the explanation?—A. I talked with Cochrane before; I don't think I did with Mudgett; but I have talked with them several times since. I would like to hear General Cochrane's evidence.

By Mr. STEWART:

Q. Cochrane stated very distinctly that it was a general charge, that he heard that he had got money from the custom-house?—A. I have—

Mr. BAYARD. I object to Mr. Stewart informing the witness about matters which I am examining him about, before I get through with him. I want Mr. Mudgett's testimony, and you may get General Cochrane's testimony if you want it. Until my examination is through I must claim a little monopoly.

Mr. CASSERLY. The objection is that Senator Bayard asks for the witness's evidence on this point, and Senator Stewart gives his version of it. The witness asked to have the testimony read to him, and I say that is his right to have it read, if he wants it.

Mr. STEWART. I can take this testimony here, and show where you have stated to the witness something that you said the witness had said repeatedly, and I must say that it was not always very accurate. It seems to be a very sensitive matter when I say a word. Now, the witness has been taken away from me every time I have wanted to examine him, and I never made any fuss about it.

Mr. BAYARD. I will read to you, General Hillyer, the statement of Mr. Mudgett: "In Washington, some time in the spring of 1870, I was in Washington, and General Cochrane called on me and said that General Porter felt hurt at a remark that I had made, that I thought he was interested in jobs about the New York custom-house, and he would like to make an appointment to meet me. I told General Cochrane I would be happy to do so; I am talking of General John Cochrane. He called on me in the evening and stated that General Porter would like to have me meet him at the White House at 9 o'clock. I told General Cochrane if he would go along with me I would be very happy to do so. I went there at 9 o'clock and met General Porter, and he told me that he had heard that I had stated that I knew personally that he was interested in matters connected with the New York custom-house.—Q. Were you referring then to this general-order business?—A. Yes, sir. I told him that I hadn't said that I knew personally he was, but I told him that I believed so, and believed so still, and I told him the reasons that I had for supposing so; I told him of all these transactions that I have related here; and also that Mr. Lindsay was then very active about there, and was representing himself to be the representative of him and of a particular friend of his, and of the President, &c., and of the fact that he has urged this job. I gave him the whole subject as I give it here."

You will observe that the statement there is—he then proceeds to speak of General Porter's reply to him about the matter there alleged by him, in which Mr. Porter was interested; that General Porter took exception to the statement that he (Porter) was interested in the general-order business and had received money from it. Now, I will ask you whether that was the substance of the charges, as discussed?—A. After hearing this—

Mr. STEWART. Now, in fairness, let the witness have it all. General Porter at that time denied that he had any knowledge of Leet having anything to do with it.

Mr. BAYARD. I will read to the witness the rest of the question and answer, and then you can examine him in full. Will you please answer me? "He said, in the first place, he had no acquaintance with Mr. Lindsay—that he was no acquaintance of his at all. He said that the President did give a letter to Mr. Leet on Mr. Grinnell, to give him the general-order business, and that Mr. Grinnell responded that the general-order business had been given to Mr. Bixby and others for public reasons, and that the collector could do nothing for Mr. Leet. He told me that neither himself nor General Babcock nor Mr. Leet had any interest whatever in anything connected with the custom-house."

"By Mr. CASSERLY:

"Q. Please state that again?—A. He assured me that neither himself nor General

Babcock nor Mr. Leet had anything to do with anything connected with the custom-house. He explained this attempt of Mr. Leet with the President, to get the general-order business, but Mr. Grinnell had responded that it was given to Mr. Bixby, and so forth, for public reasons, and that he could do nothing for him. We had some considerable talk, but that was the gist of it. He said he had never been in Mr. Grinnell's office at all, since Mr. Grinnell had been collector."

You have stated that you had heard the charge had been made by Mudgett, through Colonel Leet?

The WITNESS. I may have heard it from somebody else. I have no recollection of hearing it through Colonel Leet; I have no recollection.

Q. You can't now recollect the source from which you had derived the knowledge that Mudgett had made the charge?—A. No, sir.

Q. But you did know that Mudgett had made the charge, and that the charge was that Porter had shared the profits of the general-order business, and had derived it through Mr. Leet?—A. I have a very distinct recollection that he had received money from the New York custom-house. Now, after your suggestion here, my impression is that it was in reference to the general-order business.

Q. Through Colonel Leet?—A. I don't say that, because I don't remember.

Q. What source was it? I understand that Mudgett had made the charge that Porter had got it through Leet, and in regard to that, General Porter made the denial that he had nothing to do with it.—A. Mr. Mudgett is a gentleman who talks a good deal, as you are probably aware, and I may have heard him say this thing. I know I have heard him say a good many things, and as to what he said I could not very well recollect, and sometimes, probably, he could not.

Q. But you brought it to the knowledge of General Cochrane?—A. Yes; I think I did.

Q. Whether it was credible or not, this wild talk, or staid and solid remark, whichever it was, was brought to General Cochrane's knowledge by you, you believe?—A. That is my impression.

Q. And what you brought to his knowledge was the sum of what I have stated—that Porter complained of?—A. Yes, sir.

Q. You did think, however, that Mr. Mudgett's statements on that occasion were of sufficient importance to inform General Cochrane of them?—A. Yes, sir.

Q. You thought at that time they were worthy of refutation?—A. Yes, sir.

Q. You gave them, at least, the honor of your indorsement?—A. I knew Mr. Mudgett was making this bar-room talk, and although I have never been intimate with General Porter, I thought it was a matter worthy, at least, of refutation.

Q. You dignified it sufficiently to make it a subject of examination?—A. Yes, sir.

Q. And that was in the spring of 1870?—A. Yes; I presume so. It was about the time of these bids. That is the only data by which I remember.

Q. Now, general, after this talk, grave or otherwise, of Mr. Mudgett's, which you had with Colonel Leet, had occurred, and thereby you knew that Porter had been charged by somebody with connection with this general-order job through Mr. Leet, did you speak to Mr. Leet about it?—A. Well, I don't remember, but I presume I did.

Q. If you spoke to him about it what did you tell him?—A. I don't recollect speaking to him about it, but I have no doubt, if he was there—I have no doubt it was a matter of conversation.

Q. After that did he still keep you in ignorance of the fact that he was the recipient of an income of some \$6,000 a year?—A. Colonel Leet has always stated to me on this subject that General Porter had no interest, direct or indirect. I don't remember as to that particular conversation.

Mr. STEWART, (to Mr. BAYARD.) You stated in the course of that long question that Mr. Hillyer knew that the charge was that Porter got his interest through Leet. General Hillyer stated distinctly that he didn't know that fact about a half dozen times.

The WITNESS, (to Mr. BAYARD.) You put it in your own question.

By Mr. BAYARD:

Q. After you had caused this explanation to be asked by Porter of Mudgett, by informing Cochrane, the mutual friend of the two, that it was requisite, and therefore had learned that it was charged that Porter was interested in this matter of the general-order through Leet, I ask you, did you speak to Colonel Leet upon the subject of his interest in the general-order job?—A. Of Leet's interest?

Q. Yes, sir.—A. I had no idea at that time that Leet had any interest.

Q. You stated that you knew that Porter had been charged with receiving money from him. I ask you through what other source he could have received it than through Leet, with whom he was charged in Mudgett's statement to be connected?—A. I don't remember about that; of course I should have presumed that if General Porter had any interest it was through Leet. Now with reference to that date—that particular time, I really don't remember that I spoke to Leet about it, although I have often—I say often—I mean I have several times had occasion to say to Leet—asked him whether General Porter had any interest with him, and he has always said he had not.

Q. When were you in the habit of asking him that question?—A. I suppose, probably, three or four times in the course of the last year.

Q. Of the last year—of 1871?—A. Yes, sir; since Leet was known, notoriously, to have the general-order business. I never knew anything about the Bixby arrangement.

Q. You say the charge of Mudgett connected Porter and Leet in the general-order business and gave Porter a part of the profits?—A. Yes, sir.

Q. Now, after you knew that that charge had been made by Mudgett, and you thought that of enough consequence to bring up Mudgett to explain it to Corcoran, and through him to Porter, I will ask you whether you spoke to Leet in regard to so surprising a fact as his having an interest in the business in which he was charged, jointly with Porter, in sharing the profits?—A. If Leet was in Washington at that time, I undoubtedly spoke to him, but I don't remember particularly having spoken to him.

Q. Wasn't he stationed in Washington at that time?—A. I think when he resigned that he had six month's leave of absence.

Q. Did that take him from Washington?—A. He was off at Chicago.

Q. All that time?—A. No, no; most of his time, undoubtedly, he was in Washington, and if he was there, I have no doubt I spoke to him about it, but I have no recollection on that subject.

Q. Are you not aware that Colonel Leet was at that time in Washington, and living in the same mess with General Porter and General Babcock?—A. I know when he was in Washington—that's my recollection, although I never was at their house, I only know it from hearsay—I know he had an intimacy with Generals Porter and Babcock.

Q. Did you hear that from Leet, that he was messing with them?—A. I knew that was his habit; I don't remember at this particular time; I presume he had been.

Q. You know he had been on terms of intimacy with them?—A. I know he was perfectly intimate with both those gentlemen.

Q. Now, you have expressed a very proper sensibility upon the subject of an Army officer drawing pay and as such, engaging in another business, and drawing funds from the Government in another direction, and expressed reprobation of it. Now, when you learned that a charge of that kind had been made on your intimate friend Leet, is it not likely that you asked him to explain at once?—A. I say undoubtedly, if he was there. If he was there I undoubtedly did. I don't recollect if he was there.

Q. Now, if you undoubtedly did so, did he or did he not tell you that he had or had not an interest in it?—A. He never told me that he had an interest, for, as I said before, I never dreamed that he had an interest until—

Q. Now, if undoubtedly you asked this gentleman in respect of his connection with the business, and you received no intimation from him that he had connection with the business, is it not the necessary result that he told you he had no interest in the business?—A. If you ask me what he said, I suppose that, as a lawyer, I should say that was proper, but as to necessary inferences that you draw from your hypothesis, I can only say I have no doubt, if I spoke to him on this subject, that he said to me that General Porter had no interest with him; but that he said he had no interest, I don't know, because if he had concealed the fact from me it would hardly be probable that he would have shown me that he had an interest.

Q. Pardon me for saying it is your hypothesis and not mine. You have stated that you undoubtedly must have spoken to your friend to know whether he was engaged in what you considered an improper undertaking?—A. No, no; I said if Colonel Leet was there that I undoubtedly had said to him what Mudgett had said about General Porter. That's what I intended to say.

Q. And you believe Leet answered about Porter and said nothing about himself?—A. Well, sir, if I could recollect; I know when I have had a conversation he always declared to me that General Porter had not.

Q. Did he ever declare to you that he had not?—A. I know he never told me that he had up to the time he opened this Horton store. I never imagined that he had an interest with Bixby.

By Mr. CASSERLY:

Q. When did he open the Horton store?—A. It must have been some time in 1870; I don't remember the month; I have a very poor memory for dates.

By Mr. BAYARD:

Q. You can't give dates at all?—A. That is, my memory is very unreliable.

Q. I wish to be very clear with you upon this point. If I understand, there was a charge made connecting General Porter and Colonel Leet with this general-order business, and ascribing a certain share of the profits to General Porter?—A. You are stating that. It is not the statement that has been made by me. The charge was that General Porter had received money from the New York custom-house. My impression, based upon this testimony, is that it was a reference to the general-order business. Whether Leet's name was mentioned in that connection I don't remember. When you ask me my inferences from my knowledge of the whole facts, whether Leet's name may have

been mentioned, I say yes; but as to the distinct charges, I don't remember, but I presume that Leet's name probably may have been mentioned, because Mr. Leet is here, but I don't remember.

Q. Wasn't Mr. Leet the only channel through which General Porter's interest in this business would arise?—A. I say I judge; I would imagine that, and therefore I should admit your statement.

Q. Don't say mine; they are Mr. Mudgett's, which I read to you.—A. You propounded the question to me in which you stated all these matters. Now, I replied to you that I would infer the fact that Mr. Leet's name has been mentioned, although I didn't recollect the fact that it was, because General Porter's connection with the New York custom-house would have been undoubtedly through Leet.

Q. You knew General Porter had been charged with connection with this New York custom-house?—A. I knew Mudgett made the charge.

Q. And that "custom-house" meant the general-order business?—A. That's my impression, from the suggestions of Mr. Mudgett.

Q. Then you consider that Mudgett's statement as read contained about the charge which he was alleged to have made against General Porter?—A. I should think it probable that that was so, sir.

Q. Then if that was so, it was precisely that which I have stated to you?—A. No; the part that you read don't connect Mr. Leet with it, although I must admit that my own impression would be that Mr. Leet's name would have been connected with it.

Q. Necessarily from his connection with General Porter in connection with the house?—A. I should think so; yes, sir.

Q. But you have no recollection whether he had any connection with it?—A. I don't remember, but I know the fact that I didn't believe he had. I didn't suppose at that time that Leet had any connection. If I ever did ask him, he undoubtedly told me that he had not, but I don't remember that I ever asked him, because I know that I had no impression that he had at that time—no reason to suppose that he had.

Q. But you state you knew he had been charged, Porter had, through Leet?—A. Through Mudgett—a charge which I understood Mudgett had withdrawn.

Q. A charge had been made against a man who was your friend, connecting him with Porter in this custom-house order?—A. Yes, sir; my understanding was that Mudgett had made the charge and withdrawn the charge, and therefore I thought nothing more about it.

Q. Is that your view of it now?—A. Yes, sir.

Q. Who told you that he had withdrawn it?—A. That was my understanding of it.

Q. Who informed you of that?—A. I don't remember. I heard that Mr. Mudgett made a charge, and had afterward met General Porter and the charge was withdrawn; where I got the information from I don't remember, but that is my impression of the matter as it stands. It was an amicable settlement between the gentlemen on that subject.

Q. Were there any other contracts than the general-order or the labor contract that Mr. Leet was engaged in?—A. None that I know of.

Q. Had you any knowledge of Mr. Leet's connection with any of the San Domingo speculations?—A. No, sir.

Q. No knowledge of that?—A. None whatever. I will say this: I don't think Mr. Leet ever consulted me about his business matters after he made Mr. Lindsay's office his headquarters. I don't think after that he ever advised with me at all except to show me a contract as a lawyer, a partnership contract, I think.

Q. That was in 1870, when he went into the Horton business?—A. After he made Lindsay's house his headquarters I don't think he ever discussed the subject with me, or advised me anything about his matters at all.

Q. Kept his affairs entirely from your knowledge?—A. Yes, sir.

Q. When did Mr. Donn Cameron make that offer to Leet of \$2,500 a year, a house, with carriage and horses, and a prospective copartnership with himself?—A. I don't know when he made that offer. I only know the time at which this letter was written.

Q. By whom?—A. By General Porter, under the direction of the President.

Q. To whom was that letter written?—A. To Mr. Leet.

Q. O, yes; in Chicago?—A. In Chicago. The exact date I can get by obtaining the dispatch. It is now in Washington. It was about the time I got this labor business.

Q. In the spring of 1870?—A. Yes, sir.

Q. Where did you get the knowledge that this offer had been made by Cameron to Leet?—A. I got it at that time from General Porter, but Mr. Leet had previously informed me.

Q. Then you were informed by them both?—A. Yes, sir. I am very positive Colonel Leet told me.

Q. Have you stated the offer about correctly?—A. That is my general recollection of it.

Q. Two thousand five hundred dollars a year and house rent?—A. Yes, sir; the horses and carriage may have been a matter thrown in, but my recollection is \$2,500 a year and a furnished house, with the prospective copartnership.

Q. With Donn Cameron in what business?—A. In the iron business.

Q. What kind of iron business?—A. I don't know.

Q. Where?—A. Up in Pennsylvania there.

Q. Whereabouts?—A. I don't recollect even that; at the iron-mines there.

Q. Near Harrisburgh?—A. I think so. I did hear the place, but I don't remember now.

Q. And that Mr. Cameron was to make Leet his partner. Did he say within what time?—A. No, sir; as to any details, I know nothing of that except the general proposition of \$2,500 a year and furnished house. Whether his proposition coupled the partnership, or whether this was merely the expectation with reference to the proposition, I don't know; but the proposition was made of \$2,500 a year and a furnished house.

Q. What did Leet tell you about that?—A. He said he didn't want to go there. He wanted to come to New York.

Q. Did he say why he wanted to come to New York?—A. My recollection is that he said he preferred to live in the city.

Q. At that time had he failed in getting the labor contract at the time this proposition was made?—A. O, no; the labor bid was made after this proposition.

Q. How long?—A. I don't know when this proposition was made. The information given to me by General Porter was not more than two or three weeks before the labor proposition.

Q. At that time Mr. Leet intended to leave the Army?—A. So I understand.

Q. And embark in civil pursuits?—A. Yes, sir.

Q. Had he anything but his Army pay?—A. No; I understood not; nothing, only it might be a few hundred to a thousand dollars—nothing of any consequence.

Q. But at the time designing to leave the Army, and having no other business, not having secured the labor contract, he refused the offer of \$2,500 and furnished house, and possible copartnership with Don Cameron in Pennsylvania?—A. Yes, sir; that's my recollection of the terms. As far as the possible copartnership is concerned, that may not have been part of the proposition. It may have been a suggestion. It was talked about. It might have been a suggestion that it would result in that.

By Mr. BAYARD:

Q. That was part of the tableau that was spread?—A. That was one of the advantages, if I recollect right, to induce him to accept.

Q. I understood you had your interview with General Grant in regard to the labor contract at Leet's request?—A. Yes, sir; I think so; I think it was Leet's request. It may have been my own suggestion. I don't remember positively about that.

Q. In your original statement I understood you to use this language—that Grant forbade Leet to come to New York.—A. I stated that General Grant directed General Porter to write to Leet that he desired that he should not come to New York.

Q. That was the Chicago letter?—A. Yes, sir; that's the only occasion on which I ever knew General Grant forbidding—

Q. General Grant was then President?—A. Was then President.

Q. Mr. Leet was a clerk in the War Department, or in the Army, assigned to duty in the War Department?—A. My impression is that at that time Leet had resigned, and had leave of absence. I think the custom then was to give six months leave of absence to an officer resigning, and I think he was under that at that time, although you have got his testimony and know better than I do. Of course, I don't know as well as he does.

Q. Haw went on to Washington with you about that labor business?—A. He either went or I met him there. He was there with his attorney.

Q. I understood you to say Porter was Leet's particular friend, and you told him about Haw's and Leet's proposition for the labor contract, discussing it with them?—A. Yes, sir.

Q. Did you advise with them as to their bid, or what it was?—A. No, sir; I said nothing about the amount. I said only the fact that the arrangement had been made between Haw and Leet.

Q. Was Porter a close and intimate friend of Leet's?—A. I suppose so.

Q. So much so that you consulted him about Leet's private affairs and his interests in life?—A. Yes, sir.

By Mr. STEWART:

Q. You say that you were surprised when you heard that Leet had ever had a conversation or conversations with regard to the general-order business?—A. Yes, sir.

Q. I undertook to state to you at that time what Mr. Leet did say about it. I doubt very much whether it can be called a conversation. However, I will read it, and you can judge whether it was sufficient to call to the President's attention that he knew what it was at all:

"Q. Did you at any time say anything to him"—that is, speaking of the President—

about the general-order business?—A. Yes, sir; I had spoken to him about it previously—two months before that time.

“By Mr. BAYARD:

“Q. To whom?—A. That was before he was President. He did not seem to know what it was.

“Q. Repeat that. You say you had spoken to the President?—A. Yes, sir; I mean—I should have said he was President elect.

“General Grant?—A. Yes, sir; although it was before his inauguration some time.

“Q. About two months before you had a talk with him concerning the general-order business?—A. Yes, sir.”

Now he says that he spoke to him, and General Grant didn't seem to know what it meant. Whether that amounted to a conversation or not is another thing.

Mr. Leet swears that he spoke to General Grant, and General Grant didn't know what the general-order business was. Now, is it not very probable that he spoke to him about it, and it made no lodgment in his mind at all?—A. Of course.

Mr. CASSERLY. Is not what probable?

Mr. STEWART. Very probable that he spoke to him about it, and General Grant knew nothing about it, and it made no lodgment in his mind at all.

The WITNESS. I don't intend to state that I disbelieve Mr. Leet's statement. I only mean that I was surprised at the fact they had talked with General Grant.

Q. Why; from the conversation you had with the President in regard to that?—A. Because General Grant had told me that he had given to Colonel Leet that letter at General Rawlins's request, as I recollect, and General Rawlins told me the same thing.

Q. What was that letter?—A. The letter to Mr. Grinnell.

Q. What was the object of that letter; did you understand it from General Grant? We have had the letter in evidence; how did General Grant construe that letter?—A. General Grant said that he never expected, on the strength of that letter, any general-order business could be obtained.

Q. The letter distinctly refers to private business?—A. If you want me, I will state his conversation about it.

Q. Well, I do.—A. He stated that Colonel Leet, although a staff officer, with whom he was less acquainted than with most of his staff, yet he was a man he highly respected, and who had served faithfully with him, and that, as he desired to come to New York, and that he gave him this letter to aid him generally in his business, but without any specific point.

Q. You stated that you thought it was improper for him to receive any portion of the general-order business in that way while he was in the Army, and you said that General Grant, the President, had expressed the same opinion?—A. Yes, sir.

Q. What time was that?—A. When the President made the statement?

Q. Yes, sir.—A. Week before last.

By Mr. BAYARD:

Q. In 1872?—A. Yes, sir; I refer to Bixby's contract.

By Mr. STEWART:

Q. Now, you were here with Leet at the time this Bixby contract was made, and all that?—A. Yes, sir.

Q. Were you not as intimate with Leet as General Porter or anybody?—A. I was very intimate with Leet. I supposed that he advised me of all his transactions.

Q. If he was to communicate that to anybody, wouldn't you think you would be likely to have learned of it as anybody?—A. I suppose I would have been the first man he would have told, if he had left the Army. I don't think that he would have communicated the fact, if he remained in the Army, that he had made such a contract to me, because I would not have approved it.

Q. Do you think he would have communicated it to the President any quicker than he would to you?—A. No, sir; never in the world; he would have been the last man he would have communicated that contract to.

Q. You think that the President would have been the very last man that he would have communicated that contract to?—A. Yes, sir.

Q. General Porter swears that he knew nothing of it; have you any reason to believe he did?

Mr. CASSERLY. Where does he swear that?

Mr. STEWART. He states that; they all agree.

The WITNESS. I have no facts within my knowledge that would justify me in making any statement on that subject at all.

By Mr. CASSERLY:

Q. What is that, general?—A. I say I have no facts within my knowledge that would justify me in making any statement on that subject.

By Mr. STEWART :

Q. You have no means of knowing that he did know about it?—A. No, sir; none whatever.

Q. You don't know about it?—A. I don't know.

The following question heretofore occurring in the testimony of the witness was here read to him.

Q. Now, general, after this talk, grave or otherwise, of Mr. Mudgett's, which you had with Colonel Leet, had occurred, and thereby you knew that Porter had been charged by somebody with connection with this general-order job, through Mr. Leet, did you speak to Mr. Leet about it?"

By Mr. STEWART :

Q. I want to know if you ever stated, or if you do state now, that you knew that Porter was charged through Leet?—A. I don't remember.

Q. You don't so state?—A. No, sir.

Q. That was what I was trying to call your attention to.

Mr. BAYARD. That would be a question of fact.

The WITNESS. Very distinctly not; I know you put the question to me time and again, and I told you I didn't recollect where I got the information—whether from Colonel Leet or elsewhere.

By request of Mr. Stewart, the answer to the question just read to the witness was here read, as follows: "Well, I don't remember, but I presume I did."

The WITNESS. I presume I did, but I have no recollection of it.

By Mr. STEWART :

Q. Then you have no recollection of having learned during that controversy that this charge was made in, that he had received money through Leet; that Leet's name was connected with it?—A. I have no recollection. I don't remember ever having any conversation with General Porter on the subject. I was not intimate with General Porter, but was intimate with Mr. Leet, and most all the information that I received on any of the subjects was through Leet.

Q. If you had heard Leet's name connected with it, you would have been likely to have spoken to him about it?—A. Yes, sir.

Q. But you don't recollect ever having spoken?—A. I don't recollect.

Q. Did you use that expression that you were surprised when you heard that he had this contract?—A. I was.

Q. Very much surprised?—A. Yes, sir.

Q. And that was the first intimation you had of it?—A. The first intimation I ever had of it.

Q. Then, if he had been charged with it before—your attention had been called to it before—there would have been no surprise when it had come out; it would have been an open question?—A. Of course I would not have been surprised at any fact that I had known before.

Mr. BAYARD. That is not the question exactly.

By Mr. STEWART :

Q. I say that if your attention had been called to that fact that he had been charged with it before, it would not have met you with surprise that you hadn't heard anything about it?—A. I would not have supposed that Colonel Leet, never mind what charges had been made—I would not have believed that he would have made such a contract under the circumstances.

Q. But if you had heard of it you would have talked with him?—A. If I had heard of it in an authoritative manner.

Q. But you don't recollect of ever hearing of it or ever talking to him about it?—A. I don't, sir.

Q. And the first recollection you have of Leet's connection with that matter was when it came out in this testimony before Senator Patterson?—A. Yes, sir; I was told by a gentleman in here. Mr. Lindsay told me for some reason that it was not desired I should be informed of it.

By Mr. CASSERLY :

Q. Lindsay told you for some reason it was not desirable that you should be informed of the Bixby contract?—A. Yes, sir.

[At the request of Mr. Stewart the testimony of General Cochrane, heretofore taken, was read, as follows:]

"Q. You were present at a conversation, it is alleged, which induced you to speak to General Porter about it, and to bring Mr. Mudgett and General Porter together?—A. Not exactly in that manner. I remember very distinctly, I think some time in the summer or warm season of 1870, at Washington, the Arlington House, in what is called the office, I heard Mr. Mudgett speaking in loud terms of the complicity of General Porter in affairs in the custom-house here.

"Q. Do you recollect what he said at that time?—A. Nothing but a general allegation; I heard it casually, as one promiscuously of the ordinary frequenters of the office—guests and others—and to whom Mr. Mudgett was speaking; but whether speaking particularly to any one I can't say. I was attracted by the loud enunciation by Mr. Mudgett of that fact, what the terms were, or otherwise than that charge; the substance of the terms I can't now remember.

"Q. The charge was that he was interested in the New York custom-house?—A. That was the impression left on my mind."

By Mr. STEWART:

Q. Now, I want to know if you understood anything more than it was this general charge? Did you understand any more particulars than that?—A. As I stated before, Mr. Mudgett's testimony—

Q. I want your recollection irrespective of that. I don't want that.—A. Irrespective of that my only recollection is of a general charge.

Q. I want to know whether you have any recollection, not what you reason from what others testify to, but whether you have any recollection of anything but a general charge?—A. My recollection is at this time of a general charge of receiving money from the New York custom-house.

Q. You have no recollection as to whether it was through Leet?—A. No, sir.

Q. Or how it was?—A. No, sir.

Q. Or none of the details?—A. No, sir. At the time I had no faith in the charge.

Q. And you don't recollect that Leet's name was connected with it in any way?—A. No, sir.

Q. Or Bixby's?—A. No, sir.

Q. Except that it was a general charge that Porter had received money from the custom-house?—A. I don't remember the particulars of it.

Q. You say that, after this explanation, it passed from your mind?—A. I don't say that the matter passed from my mind, because it was a matter of too much importance for me to forget. I have thought of it often since, but as to the detailed particular charge made I have not—

By Mr. STEWART:

Q. Any recollection?—A. Any distinct recollection; I only recollect the distinct charge; I only recollect the general charge, and my general recollection is that it was receiving money from the New York custom-house.

Q. You said something about Mr. Mudgett having withdrawn it, and you didn't pay it attention since then?—A. Yes, sir; my understanding was that Mudgett had seen General Porter, and that the charge was withdrawn; I don't remember where I heard that; I presume it was from General Cochrane; I was in conversation with these gentlemen at that time, and other gentlemen, too; there was a gentleman there whose name I don't remember, who was president of a fire company—Polhemus, he was there with General Cochrane; he used to have an office with General Cochrane.

Q. You had a conversation with General Cochrane after the interview between—
A. I was with General Cochrane every morning and evening almost, while we were there.

Q. Were you at the Arlington at the time Mudgett made this charge?—A. I don't remember hearing Mudgett make this statement myself, but I either heard him or heard of it, I am not sure which; I saw Mudgett, and, I think, it is possible I may have heard him say it, but I don't remember how I got my information of the fact that he made the charge.

Q. Was Mudgett particularly friendly with you at the time; did he know you were helping Haw and Leet?—A. Mudgett was not particularly friendly at that time, although not unfriendly, and yet he was himself a competitor for the labor contract; the consequence is, that he would probable not say much to me.

Q. Was he angry about the labor contract?—A. Well, he pretended not to care anything about it; spoke of it as a matter where there was no money—as a matter he didn't care about taking unless he could get it for \$100,000, which is a much larger sum than was proposed.

Q. You think he was indifferent about the labor contract?—No, sir; I think that is only—of course he wanted to get it, and he knew more than to say—it was very natural that he shouldn't want his competitors to know how much money there was in it; he wanted to create the impression that it was was not a particularly good thing.

Q. You and Haw were over there on this labor-contract business?—A. I was there on other business.

Q. Haw was over there?—A. Yes, sir; I was helping bring him and Leet together only.

Q. Mudgett wanted that contract as there?—A. Yes, sir.

Q. Some little rivalry existed between them, did there not, about that time?—A. Between who?

Q. Between Haw and Mudgett.—A. Of course they were both known to be after the contract.

By Mr. BAYARD :

Q. Did Mudgett bid for that?—A. I don't know whether he put a bid in or not. He was there with reference to it; I think he put in a bid; I don't know about that. I know I talked about it, and he said if he could take it at \$100,000, he would take it.

By Mr. STEWART :

Q. Who did get the contract?—A. I don't know; some friend of General Ketchum.

Q. Was it a lower bid than any of the balance?—A. The lowest bid got the contract, so I understood. I don't know that fact personally. I know Haw and Leet didn't get it, because I know they were underbid some ten or eleven thousand dollars, I think.

Q. Influence didn't do much at that time?—A. There was no influence exerted that I am aware of, except simply to get the President to withdraw any opposition that he had to Colonel Leet's coming to New York.

Q. You then went, at the suggestion, you think, of Colonel Leet, or your own suggestion—you are not positive which—and saw the President?—A. Yes, sir; I am not positive which.

Q. What did the President say to you about Leet at that time?—A. Well, he said that he felt very—he spoke of having given Leet a letter of introduction to New York; that he understood that he was trying to get certain business—I don't recollect whether he mentioned the general-order business—but certain patronage of the custom-house, and in thinking the matter over he thought it was highly improper that any man that had acted on his military staff, or connected with him during the war, should have anything to do with the New York custom-house.

Q. Did General Grant know, at that time, that Leet had had any interest in the general-order business?—A. I judge not, for he didn't say so. I, of course, don't know what he knew, but I don't think he knew it. I think he didn't know.

Q. Why did you think he didn't know?—A. Because he didn't say anything about it at that time, and I think he would have said it if he—he spoke of his efforts to get the patronage. I don't recollect whether the subject of general order was mentioned in a conversation or not, but he said that he had made up his mind; that he didn't want anybody, didn't desire anybody that had been connected with him in military life—

Q. Did he not before you called on him—

Mr. CASSERLY. Won't you let him finish? You have stopped him in the middle of a sentence.

Mr. STEWART. I wasn't aware of it.

WITNESS. He didn't think that anybody that had been connected with him in military life—at least he preferred that no one who had been with him should have any connection with the New York custom-house. He thought it was—I don't recollect his expression—but he expressed his disapprobation of the custom-house patronage generally, and he wanted men who had been around him to have their hands clean.

Q. Did he know when you commenced talking to him about this contract that Leet was an applicant for the contract; had he heard of that before?—A. I think I introduced the conversation probably by stating that fact to him. He knew he was an applicant for something, or that he wanted something; but my impression is he didn't know—didn't mention whether it was general order or labor business, or what, but it was patronage of the custom-house, although he may have spoken of the general-order business.

Q. He knew that Leet wanted something, and he didn't want him to have anything there, and then you explained to him that it was competitive?—A. Yes, sir.

Q. And that everybody had an equal chance?—A. Yes, sir.

Q. And it took no influence to get it?—A. Yes, sir.

Q. Then he said he had no right to interfere with Colonel Leet in such a matter?—A. Yes, sir.

Q. You had a conversation with Colonel Leet before you went to see the President about it, did you?—A. O, yes.

Q. He knew you were going to talk with the President about it?—A. Yes, sir.

Q. Why didn't he talk with him himself?—A. I think he did.

Q. You think he did?—A. In fact I know—I don't know it personally, but I know it from him and from the President.

Q. If his talk was satisfactory, why did he want you to talk?—A. I don't know which one of us talked first, but I know that I talked, and I know from hearsay that he also had a conversation.

Q. You don't know whether he went first or you?—A. I don't remember now.

Q. If he went first, why did he want you to go?—A. If he went first and his answer was satisfactory?

Q. Yes, sir.—A. I can't state that. If he went first, perhaps his answer may not have been, or we may not have met in the mean time.

Q. Did Colonel Leet have some anxiety to have the President not disapprove of what

he wanted to do?—A. O, yes. Colonel Leet didn't want to do anything against the President's wish; and I presume that if the President's opposition had not been withdrawn, Colonel Leet would not have disregarded it.

Q. To what extent was the opposition withdrawn; any further than regarded this competitive contract?—A. It was only with reference to this competitive contract that I had any conversation. After that was ended I don't remember.

Q. The President was opposed to his having patronage all the time, was he not? Did he give up that idea?—A. I never had any conversation with him afterward on the subject.

Q. You say when you talked with him he told you that he was opposed to his having any patronage there—anything from the custom-house?—A. Yes, sir.

Q. Then you drew the distinction, and then he yielded?—A. I don't recollect that he spoke of general-order business, but I know it was on the subject of patronage. The subject I went to discuss with him was the labor business.

Q. And you found him opposed to Colonel Leet having anything from the custom-house?—A. Yes, sir.

Q. And it required an explanation?—A. He referred to the fact that he had dictated this letter to Colonel Leet.

By Mr. BAYARD:

Q. That what?—A. He spoke about this letter that he had dictated to Leet, through General Porter, to be sent to Leet at Chicago.

Q. Then it was Grant's own letter to Leet?—A. General Porter wrote the letter at General Grant's dictation. I presume that letter is in existence.

Q. Mr. Leet must have it, I suppose?—A. I suppose so. I don't know.

By Mr. CASSERLY:

Q. He didn't produce it.—A. You can get my telegraph, in which I think I refer to the letter. The telegram is in Washington.

By Mr. STEWART:

Q. You didn't see the letter that Mr. Murphy spoke to you about?—A. I don't think I did. I think he merely mentioned to me the fact?

Q. Have you ever seen it in print?—A. I may have. If it is in print I probably have seen it, though I don't now remember of having seen it in print.

By Mr. PRATT:

Q. I wish to inquire whether you were present on the Saturday evening, at the Arlington House, when Mr. Mudgett speaks of the conversation in presence of General Porter and several merchants of New York, charging General Porter with being interested in the general-order business, and holding it against the interests of the commerce of New York; that was the Saturday evening previous to the time that Mr. Mudgett, in company with General Cochrane, called upon General Porter. Were you present at the Arlington House that night?—A. I don't think I was, sir. I have heard Mr. Mudgett make charges of that kind time and again. I don't think I was there at the time.

Q. Do you remember whether there were several merchants of the city of New York in Washington at that time?—A. I really don't recollect now, Senator; there are a great many New Yorkers there. I don't remember now who were there except these gentlemen I specially came in contact with.

Q. Do you remember of being at the Arlington House while you were there?—A. O, yes, frequently.

Q. Do you know this Polhemus that Mudgett speaks of as having been present?—A. I know Mr. Polhemus was in Washington at that time.

Q. Who was he?—A. He was there as attorney for Haw in the labor-contract matter.

Q. Was he a citizen of New York?—A. Yes, sir. I think he was at that time a partner of General Cochrane; at least they had offices together, I know.

At 10.25 a. m. adjourned to 10 a. m. Saturday, February 3, 1872.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

The committee met at 10 o'clock, pursuant to adjournment, when proceedings were resumed.

WILLIAM S. HILLYER further testified:

Before my examination is resumed, I would like to correct my testimony in one or two particulars. I stated in my testimony last night that Colonel Leet had made my house his home at all times when he came here. I wish to state that, upon sugges-

tions, I had an interview with Colonel Leet afterward, at which he called matters to my mind.

By Mr. CASSERLY :

Question. After your testimony last night?—Answer. After my testimony last night, I had resided in Forty-ninth street up to the 1st of May, 1869, at which time I removed to Harlem, six or seven miles from here, in the city. Previous to that time, Colonel Leet had made my house his home, but after we removed to Harlem I am satisfied he did not make my house his home until his family came there in July, 1870. He was accustomed to visit me whenever he was in the city. That no undue importance may be given to that, I think it proper to state that my house has always been open to military friends. General Rawlins and his family most always made it their home when they were here, Mrs. Grant during the war, and any of my other friends who came here also. I saw Colonel Leet undoubtedly at my office, and probably on almost every occasion when he came to New York. But from the time I removed to Harlem until the time his family came, I am satisfied he did not make my house his home. I also state, further, that Colonel Leet called my attention to this Mudgett matter. He suggested conversations which called the matter to my mind very distinctly. My recollection now is this, that General Cochrane told me that Mudgett had made a statement that Porter was receiving money from the custom-house, from the general-order business. After I stated the fact to Leet, and Leet communicated the fact to Porter, and then at Leet's suggestion to me, I saw Cochrane and suggested an interview—that General Porter desired an interview with Mudgett.

Q. You are now stating your testimony as you wish it to be received?—Yes, sir; my present recollection is after the suggestions were made to me by Colonel Leet—after the conversation with him.

By Mr. BAYARD :

Q. In the *interim* of your examination, as made last night?—A. After I testified here.

By Mr. CASSERLY :

Q. Will you repeat that statement?—A. Yes, sir. General Cochrane told me in Washington that Mudgett had made this charge against Porter; that is, that he had received money from the custom-house on account of the general-order business. I do not recollect any amounts. There are some other things I do not remember. I communicated this fact to Colonel Leet, and he afterward saw me and said he had communicated the fact to General Porter, and desired me to see General Cochrane, and arrange the interview between Mudgett and Porter. That is my best recollection after having been refreshed by a conversation with Mr. Leet.

By Mr. BAYARD :

Q. I ask whether the alleged interest of General Porter in the general-order business was through Leet?—A. That I cannot remember; but all the communications were between Leet and Porter, and not between Porter and myself.

By Mr. CASSERLY :

Q. Was it you or Leet that suggested the meeting between Mudgett and Porter?—A. It was on Leet's suggestion to me as coming from General Porter.

Q. You told it to Leet, who carried it to Porter, as he told you, and then suggested there should be an interview?—A. Yes, sir. There is one other matter. I was examined about a paper of Horton & Co.'s, which, to my recollection, was a copartnership paper, although my recollection is not distinct about it. I think it is very probable that it was not a copartnership paper, but a paper of settlement at the time that Horton & Leet dissolved or ceased to co-operate. I wish to state, also, that this is a matter of Colonel Leet's suggestion. I recollect some paper of Horton & Co.'s passing my hands. I was thinking afterward that it might be improper for me to testify; that it might be a privileged communication, though I do not remember receiving any fee in the matter, though probably it was submitted to me professionally.

By Mr. BAYARD :

Q. The articles you say were those of a dissolution?—A. I say my recollection is not distinct about it, but that is suggested, and I think it probable.

Q. An agreement of dissolution?—A. They made an agreement at the time Mr. Horton went out. Mr. Leet did the business in the name of Horton and Co. after Horton had ceased to have any connection with it.

Q. Where did you meet Mr. Leet last night?—A. I met him across the street, at the Hoffman House.

Q. After your examination?—A. Yes, sir.

Q. About what time was that?—A. I went immediately. A gentlemen invited me to go across the street to take a glass of wine with him—Mr. Ray—just after we left here.

Q. At the Hoffman House?—A. Yes, sir.

Q. How long did the interview last you had with him last night?—A. There were quite a number of gentlemen—Mr. Corse, Mr. Thompson, Mr. Stocking, and one of the gentlemen of the World was there.

Q. Thompson is a common name; what Thompson was he?—A. He is a Buffalo man; I do not know what his first name is, but I think he has a lock contract; I am not sure about that, but I know he is the proprietor of some patent lock. There were quite a number of gentlemen. I was there an hour, probably. I suppose I talked with Colonel Leet five or ten minutes.

Q. Do you know whether that lock is not adopted by the United States Government for public stores and mail-bags?—A. I do not know; I always had the impression that he had a contract, but I know the fact that he is the proprietor of that. He is a gentleman I have frequently met here and in Washington.

Q. Are you aware whether Colonel Leet was ever engaged in the lock contract?—A. I do not know that.

By Mr. CASSERLY:

Q. Did you expect to see Mr. Leet at the Hoffman House when you went there?—A. I was told by the gentleman that he and several other gentlemen were there.

Q. You were told by this gentleman, Mr. Ray?—A. Yes, sir.

Q. Who is he?—A. He is an envelope manufacturer, I believe.

Q. Is he seeking or about to have a contract with the post-office of any kind?—A. I do not know; he has never talked any of his business with me. I think he has a contract. I have always had that impression that he manufactures envelopes for the Post-Office Department, but I have no personal knowledge of the fact.

Q. Do you remember what hour that was last evening?—A. I think we adjourned here about half past 10. I did not take notice of the time at all, but it was not more than five or ten minutes after the adjournment.

Q. How long did you stay there?—A. I think we were there until about 12 o'clock. I recollect the fact, because I think they locked up at 12.

Q. They did not quite turn you out?—A. No, sir. I recollect, as we started out, a man locked the door, or was about locking it. There is one matter that I had almost forgotten. Mr. Stocking reminded me of the fact that I had been introduced to him in Washington, by General Sturtevant, several years ago. He recalled that to my memory. Without that I have an indistinct recollection that I met him, but I was not intimate with him. I am not intimate with him now, and never knew him much until about the time of this cartage bureau business—about the time he came to New York rather.

Q. Then you met at the Hoffman House, as I understand you, Colonel Leet, Colonel Stocking, and several other friends?—A. Yes, sir; there was a reporter of the World there.

Q. Was there anybody else there that you remember?—A. General Corse. There were four or five gentlemen; I cannot recall them. I knew most of them. I think some of them I did not know. It was in a public room.

Q. I think you attended before at this committee, at the Astor House, did you not?—A. I was subpoenaed there and appeared.

Q. Do you remember why you were not examined there at the time?—A. I can state the conversation that occurred, as well as I recollect. I said to Senator Buckingham that my business required that I should go to Washington that night or the next night, and I would like to be examined immediately, before I went. There was some little consultation, and I was asked whether I would be in Washington more or less this winter, and I said that I would be. It was then stated that my testimony might be taken in Washington, or be taken here after my return.

Q. Was not the general result of that interview between you and the committee that your testimony, as it could be just as well taken in Washington, should be taken there?—A. I think that the understanding was that it would be taken in Washington. I was going to say (the gentlemen will recollect, and that is my recollection) that they stated it could be taken in Washington or taken here on my return; but my impression is that it was intended to take my testimony in Washington.

Q. When did you first ascertain that your testimony might be taken here?—A. Yesterday morning I read, in the New York World, comments on Mr. Bixby's testimony as to my introduction, and I addressed a note to the chairman, stating that I would like to be examined as a matter of personal vindication, as well as the vindication of the truth.

Q. Did you read Mr. Bixby's testimony about yourself?—A. I did.

Q. There was nothing in that reflected on you that I know of.—A. I know there was not, but the comments of the World, that I had originated this scandalous job. I believe that was the language of the paper. It was with reference to that fact I addressed the note to the chairman and asked that I should be examined.

Q. Did you wish your examination to be confined to Mr. Bixby's testimony?—A. I wished to explain all the facts that I knew that were pertinent to the issue.

Q. But there is a great deal you have stated that had nothing to do with Mr. Bixby's testimony, is there not?—A. I believe I answered all the questions put to me on some subjects not connected with Mr. Bixby.

Q. You do not question the accuracy of anything Mr. Bixby stated?—A. Mr. Bixby stated that I had introduced Colonel Leet. That is the only fact that I noticed in his testimony.

Q. You do not deny that?—A. No, sir.

Q. You have, in fact, stated the same thing yourself?—A. Yes, sir.

Q. When were you last in Washington?—A. Week before last, I think.

Q. Have I understood you correctly to say that your chief business is now, or at least an important portion of your business is, that of a claim agent, at Washington?—A. Not now; I do but very little of it.

Q. State exactly how it is.—A. I stated that formerly I was in Washington a good deal. I have been but once this winter there. Last winter I spent in Washington, representing the interests of the board of emigration, as their counsel.

Q. The board of emigration of this city?—A. Yes, sir; my business is now exclusively the practice of my profession.

Q. You have spoken in your testimony of a good many conversations with General Grant, in regard to the subject of the general-order business, and with Colonel Leet's connection with the custom-house, have you not?—A. I think I have spoken of but two conversations.

Q. Did you not speak of three?—A. I think not.

Q. Your personal relations with General Grant are quite familiar, I presume?—A. Entirely so. I differed with him, politically, in the last contest, but our personal relations have not been affected.

Q. I have observed, now-a-days, that party divisions on some subjects do not make much difference?—A. No, sir; my personal friendships are never affected by my politics.

Q. That appears to be the general drift of things in this city of New York. How long were you on his staff?—A. About two years. I resigned, to take effect on the fall of Vicksburgh. I left him at the fall of Vicksburgh.

Q. How long did you continue in the Army?—A. I left the Army then.

Q. Had you any relations with the War Department afterward?—A. Official relations, do you mean? No, sir. I have had business with the War Department.

Q. Had you any business relations with the War Department?—A. Yes, sir; I have had matters there.

Q. For how long?—A. When I left the Army, in 1863, I came to New York, and I had occasion, in Washington—

Q. I don't want to know the particulars; just cover the period.—A. Since the fall of 1863.

Q. When was it that General Grant first spoke to you, or you to him, on the subject of Mr. Leet and the New York custom-house, or his patronage in the New York custom-house?—A. The first conversation I have any recollection of is one with reference to the labor contract.

Q. When did he first speak to you in regard to the general-order business, and Mr. Leet's connection with it, either with Bixby or otherwise?—A. I do not remember that he ever spoke about the general-order business, particularly, until I had the conversation with him week before last. It may have been the subject of conversation between us. I have met General Grant frequently at Long Branch, during last summer. I have not been at Washington since last winter, until week before last.

Q. You met General Grant frequently at Long Branch during last summer?—A. I met him several times. I was stopping there some weeks. I remember meeting him there several times during my stay there.

Q. Was the general-order business referred to in any way?—A. I do not now remember that it was, but it is not impossible.

Q. Did you talk of public matters in the city to any extent?—A. Casually.

Q. Was Mr. Leet referred to?—A. I have no recollection of any conversation about Mr. Leet with General Grant during that time.

Q. Then, at that time, if I understand you, there was nothing said between General Grant and yourself as to Leet and the general-order business?—A. I do not recollect of any conversation.

Q. The general did not then manifest any displeasure on the subject of Leet's course?—A. I do not recollect that Leet's name was mentioned in any conversation that I had, although it may have been.

Q. You would be very likely to remember if the general spoke resentfully of the matter?—A. O, yes; I should be very likely to remember anything of that kind.

Q. I presume that in addition to the personal relations which you have occupied and very properly, (don't understand me as criticising them at all,) since you left the general's staff, your relations with him, while a member of the staff, were rather intimate and agreeable?—A. Yes, sir; I knew the general before the war, and prob-

ably should not have gone into the service, except that he offered me a position on his staff.

Q. You also knew General Rawlins very well?—A. Yes, sir; very intimately.

Q. General Rawlins, in the public estimation, was, perhaps, of all people in the country, the nearest to General Grant?—A. Yes, sir.

Q. When was it that you had this last conversation with General Grant, and which you now say was the only one you remember to have had with him on the subject of the general-order business, and Mr. Leet's connection with it?—A. That was during week before last, I think, or the week before that—within the last two weeks.

Q. At the White House?—A. At the White House.

Q. You saw him on the occasion of your visit to Washington, about the time you were to appear before the committee in the Astor House?—A. Yes, sir.

Q. Was it at the White House you saw the general?—A. Yes, sir.

Q. Did you go there alone?—A. I did.

Q. How long was your conversation?—A. A half an hour; it may be longer—at least half an hour.

Q. Did you see him in his private room or in his reception-room?—A. In his reception-room.

Q. How much of the whole conversation was given to this subject of general orders, and Colonel Leet's connection with it?—A. Not more than ten or fifteen minutes. I had a talk with him about the affairs of the widow of General Rawlins. I suppose ten or fifteen minutes would cover the conversation.

Q. How did the subject come up between you and General Grant?—A. I really do not know how it was opened. I expected to talk with him when I went there.

Q. You expected to talk with him?—A. Yes, sir.

Q. Why did you?—A. I expected to because it was a public matter. It was attracting a good deal of attention, and was somewhat personal to him. I knew when I went that the subject, in all probability, would come up; I expected it would.

Q. You thought it was a matter in regard to which some explanation was due on the part of General Grant to the people?—A. I thought it was a matter, with my own knowledge of the facts, so far as it affected him, which was important to be known by the people; but a personal explanation from him did not enter my mind.

Q. I do not speak of an explanation from him. I spoke of an explanation on his part—in his interest—was due to the country?—A. I thought it was due to him that all the facts connected with it should be stated, whether they were for or against him.

Q. Did you think it would be of interest to him to have the facts that were against him stated?—A. No, sir; I thought it would be to the public interest.

Q. You had it in your mind when you went to Washington, did you, to go and see the general for the purpose of conversing with him as to the facts which you supposed it would be to his advantage to have made public in his vindication?—A. I expected in the conversation—I had several other matters to talk with him about—I talked with him about this matter of the general orders, but I did not understand that—I expected to talk with him for the purpose of eliciting matters to be made public for his benefit.

Q. I really had nothing of that kind in my mind.—A. Be kind enough to repeat your question.

Q. I asked you whether your idea in going to see General Grant was that the subject of general orders, and of Leet's connection with it, was the one upon which it was for his interest that some explanation should be made to the country?—A. I cannot say that was my idea at all. I had no purpose in this conversation except to talk with him about the subject. Nothing was said to him about my testifying in this case. No suggestion was made during the conversation that I remember of.

Q. I have not said there was.—A. I know. I am answering the question in that way.

Q. I have not implied it, because, as you observed, you came before the committee before you went to Washington to see General Grant, and consequently it was not necessary for you or me to talk on that subject. I do understand you, on the other hand, to say that you had not then the idea—and that you have not now—that there was anything in the connection of Leet with the general-order business, and the character of that business as carried on by Leet, which required any explanation for the country. Was that your idea?—A. I thought that the Bixby arrangement was a very bad arrangement—an improper arrangement. I have not paid sufficient attention to the testimony to know what the weight of the testimony is that they have improperly conducted the business since.

Q. You knew generally that there was a good deal of dissatisfaction on the subject?—A. I have often heard that.

Q. You knew that the papers contained a good deal on the subject ever since the creation of this investigation of the subject?—A. Yes, sir; the anti-administration papers.

Q. I am perfectly willing to classify them that way.—A. I am only speaking from my general recollection. I may add the independent papers also.

Q. Do I still understand you to say that in going to see General Grant you had no idea that it was necessary that any explanation of what you regard the facts of Leet's connection with the general-order business, at least so far as General Grant was concerned, should be made?—A. Do you mean that motive that induced me?

Q. I want to know if you had any idea of that kind that an explanation was necessary?—A. I thought it was due that the facts I have testified to should be testified to before the committee.

Q. Do you regard those facts as being any explanation of the matter, or as being adverse to the position of General Grant?—A. I regard them as a vindication, as far as they go, of General Grant's complicity with Leet.

Q. Was that the idea in your mind when you had your interview with General Grant at Washington?—A. It was.

Q. Have you not yourself introduced the subject of the conversation with General Grant at Washington? I do not think I should have felt warranted in asking that, although the general is not only a public officer, but the highest public officer in the country; but, as you have introduced it, there can be no impropriety in my questioning you in regard to it.—A. I was asked a question which referred to that conversation.

Q. It is out, and it is better for all sides that we should know what took place. I will simply ask you to state, as near as you can, how long after you were before the committee, at the Astor House, this conversation took place?—A. I think I went to Washington the next night after I was before the committee. It was about 12 o'clock the next day after I arrived in Washington. I went in the morning, and I saw the President about 12 o'clock.

Q. At the White House?—A. Yes, sir.

Q. When did you come back here?—A. I came back here the same night.

Q. You regarded, I suppose, the conversation between yourself and General Grant as of marked importance in its bearing upon this matter?—A. No, sir; I did not.

Q. Pardon me. Did you not testify last night as to the statement or statements made to you in that conversation by General Grant?—A. Yes, sir.

Q. What were they; will you repeat them? I am simply asking you to state nothing but what you stated last night.—A. I recollect the conversation came that way. Some question was asked me as to what time. I was asked whether anything was said about this Leet arrangement, I think.

Q. Repeat what you said last night as to what General Grant said on that subject.—A. I told how it came in. I said that General Grant had stated to me—my recollection was that he had—I first stated that General Rawlins had informed me that he had asked the President to give Leet a letter of introduction to Mr. Grinnell, and that General Grant was under some impression that he had stated—that it was his recollection—

Q. That Rawlins had asked it?—A. Yes, sir. Then I asked when that occurred; and I think that was the manner in which the conversation came in.

Q. I merely want you to repeat what you said last night as to General Grant's statement upon the question of the general-order business and Leet's connection with it. Permit me to remind you that I do not want you to state anything but what you stated last night.—A. I don't remember the points. If you will call my attention to the matter upon which I testified—I remember stating in reference to this letter. I think I stated that he expressed his disapproval of the Leet-Bixby transaction.

Q. Let me see, I cannot now find any memorandum of what you did say.—A. Those are the two points—that is all.

Q. You spoke last night of certain expressions used by General Grant in relation to the general-order business, or Leet's connection with it?—A. My recollection is this: that he expressed his disapproval of the Leet-Bixby transaction; but he expressed no opinion on the subject of the management of the general-order business since.

Q. Was that all he said, as testified by you last night?—A. I don't remember what I testified to, but I will state whatever I can recollect of the conversation if you will call my attention to some specific point.

Q. For reasons of propriety I prefer you to confine yourself to what you stated last night, of this conversation between you and the President.—A. Well, those are the only two points I recollect referring to.

Q. You have stated one?—A. One was the request of General Rawlins for a letter for Leet, and the other was the expression of disapproval of the Leet-Bixby transaction. I think those are the only two matters I recollect of.

Q. You returned to New York the same night?—A. Yes, sir.

Q. Is there any reason that occurs to you now why you did not come forward and testify to the committee to that effect and to the other facts of which you knew when you returned to New York?—A. I have been very busy since. I supposed that the committee would send for me when they wanted me. I had appeared in response to the committee, and I was informed that I would be sent for when I was wanted.

Q. The understanding was, that you were to be examined in Washington?—A. That was my understanding.

Q. Has your attention been called to an article in the Herald as to the importance of the testimony in this matter in vindication of the President?—A. I saw the article in the Herald, which I think referred to me, although my name was not mentioned.

Q. There was an article in which your testimony was referred to at considerable length, in connection with a letter of General Sickles, suggesting your name to the chairman of this committee, or otherwise.—A. I think my name was not mentioned in the article.

By Mr. BAYARD:

Q. There was one article in which your name was mentioned, and which stated the burden of the testimony you would give when you were called.—A. I recollect the article in the Herald, but I do not believe my name was mentioned in it.

By Mr. CASSERLY:

Q. The Herald's Washington correspondent speaks of the surprise and regret of the President's friends, that the important testimony of General Hillyer, although his name had been sent in by General Sickles, had not been taken?—A. I think you will find that my name was not used.

Q. You remember such a remark, whether your name was used, or not?—A. I recollect the article in the Herald very distinctly, but I am not responsible for it.

Q. How did the writer in the Herald know what testimony you could give?—A. I stated several points that he had there; but there are a good many things I could not testify to—it was quite an exaggeration.

Q. I believe it is not uncommon for writers of newspapers, as well as other people, to overstate?—A. I did state to a number of people, but to no one I knew was connected with the Herald. I think I know, however, the gentlemen who wrote the article, but it was no one connected with the Herald.

Q. Were you surprised when you saw it in the paper?—A. I was very much surprised when I saw it in the form it was.

Q. There is a portion of the article which is true, I understand you to say? Were you surprised at the appearance of that part which was true?—A. No, sir. I had stated these facts to a number of gentlemen.

Q. Did you state what you did state, with the idea that it might be published?—A. No, sir. The reason I say I think I know who wrote the article is, that I had a conversation with a gentleman who asked me if I had any objection to his making a publication of the statement, and I presume from that fact he wrote the article, though he is not a Herald man.

Q. You agreed, I suppose, to the publication?—A. The gentleman asked me if I had any objection to the statement that I had made being used in a public manner.

Q. You didn't forbid its publication?—A. No, sir. I stated I had no objection.

Q. The publication was made the next day?—A. Yes, sir.

Q. How long since your appearance before the committee was that publication?—

A. It was some time last week that it was published—I don't remember exactly. It was a day or two after my return from Washington. But there are many statements in that article, which are not warranted by anything I stated. I stated to these parties what I have testified to here, as far as I can remember.

Q. When was the first conversation which you had, either with General Grant or General Porter, in regard to the general's views in respect to Mr. Leet?—A. It was a week or two before the time at which the labor-contract bids were received. I think it was some time in the spring of 1870.

Q. Was it about May?—A. I should think so; but my recollection of dates is very imperfect. It was during the session of Congress, I know.

Q. Was not that about the time of the Mudgett trouble?—A. Yes, sir; just about the same time.

Q. The two things?—A. They were within a week or two.

Q. They happened within a week or two?—A. Yes, sir.

Q. There were two subjects, one was the labor contract, and the other was the Mudgett difficulty?—A. My conversation with Porter was before the Mudgett conversation.

Q. You had a talk with Leet and Haw in New York, in reference to the labor contract?—A. Yes, sir.

Q. And, as the result of that conversation, you went on with Mr. Haw to Washington?—A. I don't think I went on with Mr. Haw especially on that business. I had other business in Washington.

Q. But, being there, you took some part in the matter?—A. Yes, sir. The only part I took was to bring the two parties together; they made their own arrangements.

Q. When you say "the two parties" you mean—A. Leet and Haw.

Q. Had they not been acquainted previously?—A. I am not sure, but I think not—I am quite sure not, unless it was a mere casual acquaintance.

Q. After you made them acquainted, did you then see General Porter?—A. I saw General Porter afterward; I expected to meet Colonel Leet in Washington, but not finding him there, I went to see General Porter.

Q. What did you expect to meet him in Washington about?—A. I supposed that he was there; I supposed that Mr. Leet was in Washington, and that Haw and he would meet there in reference to the labor contract to arrange the bid.

Q. This arrangement was contemplated before you left New York?—A. Yes, sir; I think I introduced the parties in New York.

Q. What did you say as to the views entertained by politicians here in regard to that labor contract, and as to Leet's getting it?—A. I said to Leet that if he should get the whole of this contract there would be dissatisfaction among the politicians, and that half of it was enough for him, and that he had better make arrangements with some one who would be satisfactory to the politicians.

Q. Did Mr. Leet assent to that view?—A. He assented to my proposition; I do not know whether he was influenced by that view of the case or not, but I presume he was.

Q. After being in Washington a day, you say you went to see General Porter?—A. I think I went the first day I got there; I do not know whether I went with Haw or whether he came on while I was there; as soon as he got there, and we found Leet was absent, I went to General Porter.

Q. About the labor contract?—A. Yes, sir; I went to see General Porter about Leet's whereabouts, in the first place, and what he knew as to his intentions in reference to this labor contract.

Q. Was that your only object in seeing General Porter?—A. Yes, sir.

Q. What did Porter say in that conversation in regard to Leet?—A. He simply stated to me that at the direction of the President he had written a letter to Leet, at Chicago, stating that the President particularly desired that he should not come to New York to have any business connection with the custom-house; that he specially desired that he should accept the proposition which had been made to him by Don Cameron to go to Pennsylvania to take charge as superintendent of his iron-works.

Q. Did you understand it was Don Cameron's iron-works he was to take charge of?—A. Yes, sir.

Q. In what capacity?—A. Superintendent of the iron-works—that is my recollection.

Q. You stated last night, with a salary of \$2,500?—A. Yes, sir.

Q. And some other advantages?—A. Yes, sir—a furnished house—that is my recollection, and I think it was said, whether as a part of the contract or otherwise there was a probability of a partnership; that there was to be a furnished house, horses, and carriages. That part, the horses and carriages, was probably a mere flourish.

Q. How long had you known Colonel Leet at that time?—A. I was first acquainted with Colonel Leet in the spring of 1863, at Vicksburgh—at the siege of Vicksburgh.

Q. Did you ever hear of his being in the iron business, or his having any knowledge of it whatever?—A. I think he had none.

Q. Do you know of any qualification he possessed for such a post as superintendent of Don Cameron's iron-works with the prospect of partnership?—A. I only know Colonel Leet as a man of good business capacity. I do not know what the duties of superintendent would be. If he was merely employed to pay the hands, keep the books, and superintend the working of the men, he certainly would be qualified to do it; but if it required a knowledge of metals and chemistry, and all the arts that apply to iron manufacturing, I do not suppose he would be.

Q. Does it not occur to you that the superintendent of Don Cameron's iron-works should have some knowledge of the manufacture of iron?—A. That would be my impression. Still, a man may be superintendent of a railroad, sometimes, who has only good business capacity and knows how to employ and manage men.

Q. Did you ever hear of such a person succeeding, as superintendent of any considerable railroad, without he had a knowledge of the business?—A. I recollect—and that is what suggested it to my mind—of a gentleman who was offered the superintendency of a western railroad, who was a lawyer. I am not sure whether he accepted the position or not. I remember his name. It was Van Wormer. He was offered the superintendency.

Q. You do not know whether he accepted, and, still less, whether he succeeded?—A. I think he took the position. That came to my mind when you asked me the question. I know that we laughed at the idea of his qualification to be the superintendent of a railroad.

Q. You did laugh at the idea?—A. Yes, sir.

Q. After having had that conversation with General Porter you went to see the President?—A. I went and telegraphed to Colonel Leet, at Chicago, to come to Washington immediately. What else I put in the telegram I do not remember, but I will furnish the telegram to the committee, if it is desired.

Q. Did you go to see the President after Leet came to Washington?—A. Yes, sir.

Q. Was anybody with you, and if so, who?—A. Nobody, that I remember.

Q. What occurred there; state what you have already stated.—A. I stated to the President that I had understood he had written to Colonel Leet opposing his going to New York or having anything to do with custom-house matters, but I thought there

was no reason why he should do so with a matter of this kind, of the labor contract; that it was a matter of competitive bids, and I thought that the fact that Colonel Leet had served through the war on his staff should not disqualify him from the rights of any other business man to come to New York. I told him that an arrangement had been made between Mr. Haw and Colonel Leet, which would make the arrangement satisfactory to his political friends. He reiterated his aversion to having any person who had sustained relations to him in the Army having anything to do with the New York custom-house, and he expressed the regret that he had written a letter of introduction for Colonel Leet.

Q. He expressed a regret?—A. Yes, sir; that there had been some talk about it. I think he said that he was satisfied that it was altogether best that no one connected with him should have anything to do with the New York custom-house.

Q. But before you left what did he say?—A. He said, "Putting it in that light, of its being a competitive bid, and not resulting from official influence, I cannot see what objection I can urge to Colonel Leet going to New York." He finally assented that he would withdraw the objection.

Q. Was the objection of General Grant to Leet's being connected with the custom-house, or of his being in such a position as would involve official influence?—A. I think he had a general objection to his having anything to do with the New York custom-house at first, but in response to the argument that it did not require official influence he yielded his objection—his general objection.

Q. Then you think the objection was on the ground of the use of official influence?—A. I think his objection was the expectation that it would be charged to official influence.

Q. The official influence of whom?—A. The President.

Q. You had not suggested that in the conversation, had you?—A. I think I suggested in that conversation that this was a matter which did not require official influence.

Q. Was that your idea, or his, first?—A. I think I made the suggestion first.

Q. And he accepted it?—A. Yes, sir; although I cannot recollect distinctly which suggested it; but that would be my general impression.

Q. Was anything said about the general-order business at that time?—A. I think not; I have no recollection.

Q. Did you not so state last night?—A. I think not.

Q. I certainly have made a memorandum on my paper to that effect.—A. I think not; if so, I was misunderstood or mistaken myself. My recollection is that there was nothing said about the general-order business then, although there may have been. The whole point of the conversation was in reference to the labor-contract business.

Q. Did Colonel Leet see the President about that time on the same subject?—A. So I was informed.

Q. Was anything further said as to the letter which General Grant had given Mr. Leet than you have stated?—A. Nothing that I remember now.

Q. When you left General Grant he had relinquished his objection to Mr. Leet's endeavoring to get the labor contract, I understand you to say?—A. Yes, sir; I would state here possibly that the matter may not have been settled in our interview, but may have been settled in the interview with Mr. Leet, which followed. I know I recollect the conversation. I know that Colonel Leet had a conversation, and it may be that the matter was not finally determined in my conversation, but was followed up by a personal interview with Mr. Leet; but, at any rate, it was relinquished at one or the other of these interviews.

Q. Let me ask you if you have any doubt that General Grant was satisfied on the point at the time?—A. None whatever.

Q. Colonel Leet was still in the Army, and subject to the most summary orders of General Grant at any time; was not that so?—A. Yes, sir; but this was to be on the understanding that he was to immediately resign from the Army.

Q. That is not the point at all of my suggestion to you. You have repeated a good many times. I think that that is your understanding of the subject. The point of my suggestion was this: General Grant must have been satisfied at that time, and you must have so understood it, for the reason that it was in his power, if he had any decided objection to Colonel Leet going into the business of bidding for the labor contract, to enforce that decided objection, by ordering Colonel Leet off to service at any place in the United States, had he not?—A. Certainly.

Q. Consequently I think you agree with me, that it must have been that he was, as you have stated, satisfied upon that point?—A. I was satisfied that there was no objection to his bidding on this contract. There is no question about that.

Q. The bid was to be made, and the contract was to be taken in the name of Mr. Haw?—A. I think Mr. Haw had his own lawyer there who drew up the paper. He had his lawyer who advised in reference to the matter, I know—Mr. Polhemus.

Q. The ground you took, generally, was that the bidding for this contract was purely a competitive matter?—A. Yes, sir.

Q. Hence there was room for official influence in connection with it?—A. No, sir.

Q. If that be so, what had the dissatisfaction of politicians to do with Mr. Leet or anybody else getting the business?—A. When the matter was first broached by Mr. Haw, it had been given to Mr. Mudgett without a bid, as I understood it, and it was expected it would be done the same way again. But afterward the Secretary of the Treasury authoritatively stated that it would be a competitive bid. The origin of the arrangement was before the decision of the Secretary that it should be a competitive bid, and then the influence of politicians had a good deal to do with it.

Q. You say the influence of the politicians had a good deal to do with it—when?—A. When the contract was given out without bids.

Q. Go on.—A. The influence of politicians is sometimes great enough to override the decision that there be bids.

Q. Is that your whole answer on that subject?—A. That is the only thing that occurs to my mind. I know there was a good deal of talk about Leet coming here and undertaking to get a large contract like that when there were party men who were entitled to consideration.

Q. But if it was a pure question of the best bidder, you agree with me that the dissatisfaction of politicians had nothing to do with it?—A. Yes, sir.

Q. And your explanation is that the Mudgett contract had been given without bids, and it was supposed that the same course would be pursued by the Secretary in reference to the new contract?—A. Yes, sir; that was my understanding of the Mudgett contract, that it was given out without a bid.

Q. Do I understand you to say then that the labor contract had not previously been made the subject of competition?—A. That was my information. I never had anything to do with it personally. I only know what was said to me at the time.

Q. And that that was the first time it had been open to competition?—A. I do not know anything previous to Mudgett. I was told at the time that Mr. Mudgett had a contract without competitive bids.

Q. So far as you knew, then, that was the understanding—that this was the first time the contract was offered for competition?—A. I had no information back of Mr. Mudgett.

Q. Mr. Mudgett's case was an exceptional case?—A. I know nothing further about it.

Q. If Mr. Mudgett's case was an exceptional case—A. All I know of it is that I was informed that Mudgett had got the contract without competitive bids. As to the custom, I do not know anything back of him.

Q. You have spoken of the dissatisfaction of politicians at the idea of Leet getting it in some way without a bid?—A. Yes, sir.

Q. It was at the suggestion of politicians, then, that Mr. Haw was brought into the matter with Mr. Leet?—A. I suppose that Mr. Haw got some of the politicians. General Cochrane I recollect speaking to me about it. I don't remember who else, but one or two others, and I presume they did it at the request of Mr. Haw.

Q. Mr. Haw was an active politician at the time, was he not?—A. Yes, sir.

Q. When did you discover that the Secretary had determined to let out the contract to the best bidder?—A. I don't remember when, but it was not long after Leet and Haw had agreed to combine and form a partnership for that purpose.

Q. In whose name was the bid of Leet and Haw put in?—A. I think in the name of Mr. Haw, but I don't remember that I ever saw it.

Q. Was not the understanding that the bid was to be put in in the name of Mr. Haw and the contract taken in his name?—A. I believe it was.

Q. What was the object of putting that transaction in the name of Mr. Haw, a New York politician, if the whole matter was placed without the domain of official influence?—A. I don't know, sir; it was a matter which the parties arranged themselves. I had nothing to do with it. In fact, until I saw the testimony here, I had forgotten the fact that it was, and if I had not my recollection refreshed by the testimony I could not have recollected that it was in the name of Mr. Haw or Mr. Leet.

Q. Colonel Leet testified that two bids were put in and one bid was withdrawn, and then another was put in.—A. That refreshed my recollection, and that is my best recollection now.

Q. You do not know of any reason for putting forward Mr. Haw and keeping back Colonel Leet in the transaction?—A. I do not.

Q. General Grant spoke to you about his letter given to Colonel Leet introducing him to Mr. Grinnell, at that interview you had with him at that time?—A. Yes, sir; that is my recollection.

Q. Have you stated when General Grant first knew of Colonel Leet's connection with the general-order business, under the name of Bixby?—A. I stated that I did not think he knew anything of it until it came out in the testimony—at least I am satisfied he did not know of it at the time I asked him about the labor contract. Of course when I stated that I only stated my own belief about it. Of course I cannot state whether General Grant knew it or did not know it.

Q. Did he ever say to you that he did not know of Leet's connection with the Bixby

general-order business at the time, or at any time, until it was made public before the committee of investigation in February last? Did he ever deny to you that he knew of Leet's connection with the general-order business until the testimony taken before the investigation committee of the Senate in February last?—A. I think he so stated in the conversation I had two weeks ago with him—the last conversation.

Q. You think he so said?—A. I am quite sure he did.

Q. What did he say about it?—A. My recollection is that I stated to him that I knew nothing about that Leet-Bixby matter until it was in testimony here, and that he responded that he did not either. I do not recollect the language that was used, but I have a very distinct recollection that he expressed himself, either as responsive to me or original with him, that he did not know anything about the Leet-Bixby transaction until it was developed in the testimony.

Q. When did you understand that General Rawlins spoke to General Grant for Mr. Leet, asking a letter?—A. It was shortly after the election of General Grant, but before the inauguration.

Q. Was General Rawlins's intention to aid Colonel Leet directed to the general-order business, or to the warehouse business in this city?—A. I am not sure; I have no distinct recollection about that. It was his desire to aid him generally, but whether the general-order business was mentioned or not, I could not state positively; it might have been.

Q. Do you recollect what you stated last night on the subject?—A. I do not know—I am sure about that—it might have been.

Q. You say it might have been so?—A. Yes, sir; I rather think it was; but I do not like to say after so long a time. I know the object of General Rawlins was to serve Colonel Leet generally.

Q. Something has been said about Colonel Leet's testimony in regard to his conversation with different persons, including General Grant. I will read to you what Colonel Leet states as to the conversation with General Grant: "Q. Did you communicate to the President at the time you got this letter, that you had a design to make an application for the general-order business?—A. No, sir; I did not say a word to him on the subject. Q. Did you at any time say anything to him about the general-order business?—A. Yes, sir; I had spoken to him about it previously—two months before that time. Q. To whom?—A. That was before he was President. He didn't seem to know what it was. Q. Repeat that—you say you had spoken to the President?—A. Yes, sir; I mean—I should have said he was President-elect. Q. General Grant?—A. Yes, sir; though it was before his inauguration some time. Q. About two months before you had a talk with him about the general-order business?—A. Yes, sir. Q. What did you say to him?—A. He didn't seem to know what it was." In a subsequent part of Colonel Leet's examination, he testified again on the subject, and I will give you here his words: "Q. I understand you to say that you had a talk with General Grant about two months before his inauguration, on the subject of the general-order business?—A. Yes, sir. Q. And he knew nothing of its nature and character?—A. No, sir. Q. That he induced you to believe at that time that he would favor your application?—A. No, sir. I was not induced to believe that he would do anything about it. At that time he offered me an appointment after I had spoken to him about it."

MR. STEWART. I think that is wrong.

MR. CASSERLY. "Q. What appointment?—A. The appointment of collector of the revenue of the first district of Louisiana. Q. That is New Orleans, is it not?—A. Yes, sir." Mr. Leet was examined again on the same subject of his conversation with General Grant, as to the general-order business, and I will read you what he said the third time: "Q. You went in and saw the General and told him you were going to New York?—A. No, sir. I asked him if I could go to New York and say to Mr. Grinnell that he would be appointed collector of the port. He turned in his chair and wanted to know how I knew he was to be appointed collector. I gave him the same answer I have just now given you, sir." That answer was, that there was a general understanding in Washington that he would be appointed collector. "Q. What happened then?—A. He turned to his desk and began to write a letter. I told him I didn't desire a letter from him; that I wanted simply permission to say to Mr. Grinnell that he would be appointed, and he finished the letter and handed it to me. Q. He neither assented to nor denied what you said about Mr. Grinnell's appointment?—A. No, sir. Q. I suppose you took it for granted that silence meant assent in such a case?—A. I took it for granted that I might carry out my suggestion. Q. I observe this letter is all in General Grant's handwriting?—A. Yes, sir. Q. Was the General aware of what your purpose was at New York?—A. I don't know. Q. Did you ever talk with him as to your views with respect to the general-order business?—A. I had a talk with him. Q. You had a talk with him at least two months and a half before?—A. Yes, sir; about that."

MR. PRATT. I move that the stenographer be instructed not to incorporate the evidence of Colonel Leet, as just read by the Senator from California. Of course, I don't know how copiously the Senator will choose to read from that evidence. What I do

know is that it is improper, as it seems to me, to inject into our record the testimony of Colonel Leet when it is already there. I suppose the proper function of the members of the committee is to examine witnesses. I do not see that that is an examination of General Hillyer, who has been in the possession of the Senator from California an hour and a quarter. He has stated, so far as I can observe, very few things in addition to what he stated in his examination on yesterday evening to the Senator from California and the Senator from Delaware. I state the fact that he has been under examination by the Senator from California an hour and a quarter, and that, substantially, he has only gone over the same ground he went over yesterday, when examined by Senator Stewart and Senator Bayard. The point of objection is, that the long extract that the Senator is reading now from the testimony of Colonel Leet should be incorporated as new evidence.

Mr. CASSERLY. The motion would be just as proper to order the stenographer not to incorporate any of the witness's testimony or any of the questions I may ask him on any particular subject. The witness stated last night that in his opinion General Grant had probably forgotten the conversation between himself and Colonel Leet in regard to the general-order business when he gave him the letter, and subsequently. The object of this testimony in part is to call the attention of the witness to what Colonel Leet himself testifies on that subject.

Mr. PRATT. I don't object to that.

Mr. CASSERLY. I have great reason to complain of the manner of your interference. I will say I think it may be assumed that when any Senator reads testimony to a witness he has a proper object in doing it. It has been done a good many times in the course of this examination, as the chairman knows and as my brethren of the committee all know, and no objection has ever been made seriously to it by anybody. And I certainly do not accept the lecture which the Senator has read upon the length of time I have taken in the examination of this witness. If there is to be a comparison of notes between the members of the committee as to the length of time occupied in idle questions, I am perfectly willing to enter into that kind of contest, although I greatly deprecate it. I say that my brother Pratt might have assumed, before he attacked me in force, sword in hand, that I had a proper object in reading the testimony. I would have stated it if he asked for it.

Mr. PRATT. I think the Senator misapprehends me. I do not object to the Senator reading the testimony of Colonel Leet, or of any other witness, for the purpose of refreshing the recollection of the witness, or any other purpose that he deems legitimate. The only objection I make is that the stenographer should be required to take down the testimony as you read it—that testimony which is already incorporated as a part of our record.

Mr. CASSERLY. I think the Senator will be satisfied, both as a Senator and a lawyer, if he will allow me to state my reasons why I think he is wrong in the position taken by him. When anything is read to a witness either to refresh his recollection or to enable him to reconsider his previous testimony, it is due to the witness and essential to justice that whatever is presented to him should go into the record. If that is not done, observe what is the consequence. The witness may answer negatively or affirmatively upon what is read to him, and yet, without having that inserted in the testimony, he may suffer great injustice, and, in any event, his answers are unintelligible; as, for instance, if a question is asked about the contents of a memorandum, and that is read over to him, and he is asked: "Do you remember any such memorandum as that?" and he says, "I do," or "I don't." What would be the sense of his evidence, sir, if the memorandum were left out? I think that for any intelligible comprehension of the testimony, it is absolutely necessary that whatever is read or offered in the course of his examination should be made a part of it. I have said nothing except in answer to the motion of the Senator from Indiana. If I cannot examine the witnesses in my own way, we might as well abandon the investigation.

Mr. STEWART. If examinations are extended so long that they create a physical impossibility, which prevents the investigation of these matters at all, those that extend them must have the responsibility of it. Every one must be his own judge. It seems to me that these examinations are extended a great deal longer than necessary; especially when there are so many witnesses that desire to be examined. Every one must be his own judge as to how far he will carry that, as every Senator is acting upon his own responsibility.

Mr. CASSERLY. I am perfectly willing to assume, sir, that each Senator here is acting upon his own responsibility, and the Senator who consumes more of the time of the committee than is justified is open to censure. I do not admit that I have fallen into any such category, nor do I recollect that I examined the witness to any length last night. Did I, general? [To the witness.]

The WITNESS. I think Mr. Bayard examined me more especially.

Mr. PRATT. I am not criticising the Senator. I stated the fact that the witness had been under examination an hour and a quarter this morning, and had been examined substantially upon the same matters that he was examined upon last night by the

Senator from Delaware. What I do object to is that the testimony already on record should be injected a second time by the process of reading it.

Mr. STEWART. I think I would rather vote for Senator Pratt's resolution offered this morning.

Mr. CASSERLY. What is the present motion definitely?

Mr. PRATT. My motion is, that the stenographer be instructed not to take down, as part of the evidence of witness under examination, those portions of the testimony of a former witness which the Senator from California is now reading.

Mr. STEWART. I do not think that I can vote for that motion, for the reason that I think that whatever is done here should go into the record. I want to vote for the Senator's motion offered this morning, but that is not now before the committee. If this thing is repeated a dozen times I want it to go on the record. I think the printing bill will be very large any way.

Mr. BAYARD. It is perfectly plain, Mr. Chairman, that in order to obtain the significance of a question or the significance of the reply to it, you must know what the basis of the question is. I was not present when my brother Casserly read a portion of the testimony taken a few days since, but I understand he has done so, and it has been done a dozen or twenty times since this examination, in order to make it the basis of a question. Now, unless the basis appear at the time the witness is interrogated, his answer will scarcely be intelligible. It seems to me, therefore, plain, you will deprive the testimony of the witness of its significance, unless we can see what it is he has answered. For that reason, when the former testimony is embodied in the question, it is necessary that it should be set out in order that the witness's answers should be understood. For that reason I am unable to vote for my brother Pratt's resolution in this case.

The CHAIRMAN. It would be much better if we could condense our examinations. It is certainly true that witnesses have been required to repeat over and over again the same testimony that they have given. That makes the record very lengthy and very expensive, and to my judgment not very important. That rests in the discretion of each Senator as he shall see fit. I only wish that the examination shall be curtailed as much as possible.

Mr. CASSERLY. The necessity for repetition has existed to some extent, and that is inseparable from the fact that we are not able—and I say that without criticism on the very intelligent gentlemen who are aiding us as reporters—to get the transcript of the evidence in season to enable us to know what has been said.

The CHAIRMAN. The Senator will see how impossible it is for the reporters to furnish the transcript earlier, when our sessions are so protracted.

Mr. CASSERLY. I understand that, Mr. Chairman, and readily agree with you. If, as in a court of law, we had to take notes of the evidence ourselves, the delay would be much greater.

The motion was then put, and lost; Senator Pratt alone voting in the affirmative. Examination of the witness resumed.

By Mr. CASSERLY:

Q. Have you in your mind the extracts from Colonel Leet's testimony which I have read to you?—A. I think I have the points, sir.

Q. Are you prepared to say, as you did last night, in answer to a question to that effect from Senator Stewart, that probably General Grant had forgotten the whole subject of general order, as between him and Colonel Leet, at the time he wrote the letter on the 19th of March—two weeks after his inauguration—for Mr. Leet to Mr. Grinnell?—A. Well, sir, if I recollect my statement, I was surprised at the testimony of Colonel Leet; and while I wasn't prepared to dispute the correctness of it—if I said he had probably forgotten it, why, of course, that was a matter which was scarcely testimony, but was only an opinion.

Q. Well, sir, I recall to your mind the circumstance, stated by yourself, that General Rawlins, occupying a position of such intimacy with General Grant, desired to aid Colonel Leet to the general-order business, and intended to speak to General Grant for a letter for him. Do you recollect that statement of yours?—A. I recollect the fact; I don't recollect that I stated that it was with reference to the general-order business, but the fact that General Rawlins said that he was going to see him again, and afterward told me he had asked General Grant to give a letter to Mr. Leet on Mr. Grinnell, the collector; I think it was Mr. Grinnell. That fact I stated.

Q. Then you said that General Rawlins was to help Colonel Leet in the matter of the general-order business?—A. I stated that he may have; he wanted to help him generally; and the subject of general order may have been mentioned, although I don't distinctly remember whether the general-order business was the subject of conversation when General Rawlins spoke to me of the letter.

Q. After having heard the statements made by Colonel Leet in different parts of his testimony, are you still prepared to say that you think General Grant forgot the subject at the time of writing his letter, two months after, or two and a half months?—A. Well, he may have forgotten; I can't say that I could testify as to anything more than

my views, that he may have forgotten it, or Colonel Leet may have been mistaken in his recollection.

Q. He has, as you see, stated it in two or three different ways, but always the same thing in substance; and there has been, according to my recollection, no testimony here casting any doubt upon that part of his evidence. Will you look at that letter, which is the letter from General Grant to Mr. Grinnell, on Colonel Leet's behalf? [handing letter to witness.] At that time, or a few days after, you remember, I believe, that Mr. Grinnell was nominated by General Grant and confirmed as collector of the port.—A. I judge so from the testimony. I don't remember as to these matters.

Q. I believe there is no controversy on that. When General Grant stated to you his regret or his aversion to have any one connected with him or his staff at any time connected with matters in the New York custom-house, did he explain to you why he gave such a letter as you have just read to Colonel Leet for Mr. Grinnell, who had just been appointed collector?—A. All I recollect about that is that he stated, about this fact, and in that connection, that he always regretted that he had given Colonel Leet a letter to Mr. Grinnell.

Q. That was all he stated to you?—A. That is all I recollect; that is only my recollection; it has been so long since the conversation took place that I can only give my impressions of it.

Q. Upon refreshing your memory, you now testify that you understood that Mr. Mudgett was in Washington at the time of the trouble between him and General Porter—asserted that General Porter was receiving money from the New York custom-house through the general order?—A. Yes, sir.

Q. That General Cochrane so told you?—A. Yes, sir; my recollection as to the specific charge—it is not distinct, but that is my best impression—that it was a charge of that kind.

Q. Upon coming in this morning you asked that that testimony should be considered as standing in that way?—A. Yes, sir.

Q. You stated this to Colonel Leet, who told it to General Porter?—A. Yes, sir.

Q. Upon that General Porter suggested an interview between Mr. Mudgett and General Porter, which you procured?—A. As to request of General Porter?

Q. Yes, sir.—A. Yes, sir.

Q. And this was about May or early in June of 1870?—A. Well, I am only taking this from other testimony; it was about that time; without the aid of other testimony I couldn't recollect within two or three months of the date.

Q. It was at the time of the Mudgett difficulty?—A. Yes, sir.

Q. Did you understand that it was through Colonel Leet that General Porter, if he did receive such money, received them?—A. I can't state anything on that subject, Senator; I only remember the general charge.

Q. If it wasn't so that Colonel Leet was the person through whom General Porter received such money, why did you tell it to Colonel Leet?—A. I had no special intimacy with General Porter; I was very intimate with Colonel Leet, and Colonel Leet and General Porter were very intimate, and I don't remember what my purpose was in telling it, excepting I would naturally state it to Colonel Leet as a matter of interest and information to him, and as a friend to General Porter.

Q. Your object was a friendly one toward General Porter?—A. Entirely. Yes, sir.

Q. Why not inform him yourself in person?—A. Well, in the first place, I thought I would tell that to Colonel Leet, knowing that Colonel Leet and General Porter were extremely intimate, and were in constant intercourse, but why I didn't I can't state now. I might have seen General Porter, or I might have preferred to communicate through Colonel Leet.

Q. Is that the only reason you can assign now why you selected Colonel Leet to apprise General Porter of this charge against General Porter, made by Mr. Mudgett, of receiving money through the custom-house, through the general order?—A. I have no recollections of the reasons at all, but that is the only thing that would suggest itself to me as the reason.

Q. If I mistake not, you spoke of your own convictions of General Porter's innocence of the charges?—A. O, yes; I suppose he was innocent of the charge.

Q. You supposed so at that time?—A. Yes, sir.

Q. If I understand you, you extend that remark beyond that particular period?—A. I say there are no facts within my knowledge that would justify me in stating anything else.

Q. I may presume, as a fellow-soldier, and as a member of General Grant's military family, you have a natural inclination to acquit him, as far as you could, of such a charge?—A. As a gentleman, I would, irrespective of other considerations, which I don't think would influence me at all.

Q. You were not present at Mr. Mudgett's first declaration?—A. I think not, sir; I heard a good deal of talk afterward and at the time of Mr. Mudgett's declaration and statement, which I can't recollect, except the general reiteration. That was some time afterward. My understanding at that time was that after that interview, Mr. Mudgett was satisfied that he had been mistaken.

Q. How is that?—A. My recollection is that after this interview between General Porter and Mr. Mudgett, the understanding was that Mr. Mudgett was satisfied that he was mistaken.

Q. That was whose understanding?—A. That was my understanding.

Q. Did you get that from Mr. Mudgett?—A. I don't remember where I got it. I only remember I had that impression. I might have got it from General Cochrane, because he and I had several interviews on that matter. We were in constant communication. I presume I got my impression from General Cochrane.

Q. Are you sure you didn't get them from Colonel Leet?—A. I might have got them from Colonel Leet or General Cochrane.

Q. You would have naturally spoken to Colonel Leet, having spoken to him to carry the information to General Porter?—A. Yes, sir; and I would also naturally have talked of this to General Cochrane having arranged with him for this interview.

Q. When did you first know of Colonel Leet's connection with the general-order business?—A. I never knew of it until the firm of Horton & Co. was started.

Q. Are you quite clear on that now, as a matter of recollection?—A. I certainly never knew anything of the Bixby contract during its existence.

Q. I say, are you quite clear about that?—A. O, yes, sir.

Q. You had known Mr. Bixby for some time before you introduced Colonel Leet to him?—A. I had.

Q. Your families had been very intimate?—A. Not intimate; our families were acquainted.

Q. I thought you used the word intimate; however I will take it as you say.—A. It is only acquainted; it was "intimate" in the papers, but that was a mistake.

Q. How long had your families been acquainted?—A. Well, for a year or two before that.

Q. You had known Colonel Leet quite well for some years?—A. I had known him since 1863.

Q. You used so strong an expression as this, that you had an affection for him?—A. Yes, sir.

Q. You liked him very much?—A. Yes, sir; if I didn't, I do now.

Q. You did at that time?—A. Yes, sir.

Q. You also were quite friendly to Mr. Bixby?—A. Yes, sir; but my acquaintance with Mr. Bixby was of a different character.

Q. Of course, I understand that; but in bringing these two friends together your idea was of course, principally to benefit Mr. Leet, and also to benefit Mr. Bixby incidentally?—A. Yes, sir; thinking they might make a mutually satisfactory arrangement.

Q. Were you ever present at more than one interview between these two men?—A. No, sir; not that I remember of.

Q. You continued to live in New York?—A. Yes, sir.

Q. Did you see Mr. Bixby after that?—A. Well, of course I saw Mr. Bixby; I met him frequently, but never to my recollection was any allusion made to that.

Q. You saw Colonel Leet quite often?—A. Yes, sir; very often.

Q. Off and on in New York?—A. Yes, sir.

Q. During that spring and summer?—A. Yes, sir.

Q. Did you never speak to him on the general-order business?—A. Well, I may have; I supposed that he still had an expectation when he left the Army to get part of the general-order business.

Q. You did understand that?—A. Yes, sir; but I had no thought that he had already secured it.

Q. He made no secret of that particular view, that upon leaving the Army he hoped to get into the general-order business?—A. I knew that was his expectation. I don't think that Colonel Leet advised with me at all in this matter, after his acquaintance with Mr. Lindsay.

Q. When did that spring up?—A. I mean these intimate relations that he had here. I believe he was acquainted with me some years before, but shortly before the Bixby contract.

Q. That was in July, 1869—the Bixby contract?—A. After he made Mr. Lindsay's office his headquarters, he ceased to confer with me at all on general-order business.

Q. But still you met him quite often?—A. Yes, sir; frequently.

Q. Would you be at all confident now, speaking from memory, that you didn't ask him or speak to him about the general-order business; that you never asked him what had become of the questions between him and Mr. Bixby on that subject?—A. No, sir; I should think it altogether likely that I did, but as he didn't leave the Army, and as I had no idea that he intended to make any arrangements until he did leave the Army, I probably was not surprised by not knowing the fact that he had made this arrangement, or what he and Mr. Bixby had done.

Q. Is that your only ground for that idea?—A. That is the only one that suggests itself to my mind at this time.

Q. Didn't that idea present itself to you most strongly after there grew up a strong public feeling on that particular subject by his holding his position in the Army, and at the same time drawing a considerable sum out of the general-order business from Mr. Bixby's warehouse?—A. Well, it suggested itself, since I learned the fact, which was after this investigation commenced.

Q. Now I am trying to get at the time of this occurrence, as to when you did know of it?—A. I knew nothing of it until it was made public in the testimony before the Patterson committee.

Q. Do you remember the date of the Horton agreement?—A. I don't.

Q. You can fix it by remembering, if you do remember, the time when Colonel Leet dissolved his peculiar relations with Mr. Bixby?—A. It followed that immediately—did it?

Q. Yes, sir.—A. I know nothing about the Bixby arrangement, except from reading the testimony.

Q. It was as early as May or June, 1870?—A. Yes, sir.

Q. And the Horton arrangement followed immediately or very closely—he went out of one arrangement into the other—you drew that memorandum?—A. I am not sure whether I drew that memorandum.

Q. You knew about it at all events?—A. The memorandum in reference to Horton & Co.?

Q. Yes, sir?—A. Colonel Leet suggested to me that it was a memorandum at the time of dissolving their relations, and my expression was, it was the original agreement.

Q. Well, that isn't at all important. I merely wanted to fix the date at the time you knew of Colonel Leet being in the general-order business.—A. I knew when he and Horton made their arrangement.

Q. You say you knew of his being in the general-order business with Stocking a few weeks after his dissolution with Horton?—A. Yes, sir; whatever it was.

Q. When he and Mr. Stocking went on with their business?—A. Yes, sir.

Q. Colonel Leet was in the Army at that time?—A. I think not.

Q. Yes, sir. He resigned in February, the resignation to take effect in September.—A. The 1st of September, 1870?

Q. Yes, sir.—A. But he had, however, a six months' leave of absence.

Q. Yes, sir. But he was drawing pay, although diminished pay, all that summer.—A. O, well, I should consider it perfectly right for Colonel Leet, under the rule which gave this six months' leave of absence, and which, as I understood, was to give a man an opportunity to get some other means of livelihood, I should consider it perfectly legitimate for him to go into an arrangement at that time.

Q. Let me see, now, if I understand your position. You say that it was not a legitimate thing for him in 1869, while he was in the Army, to make an arrangement with Mr. Bixby for the general-order business. I understand you to say that?—A. Yes, sir.

Q. And that it is a matter of just reproach to him?—A. Because his services were due to the Government.

Q. Well, any reason that you like to give. But you say it was perfectly legitimate in 1870, less than a year afterward, to do the same thing with Mr. Horton, on the ground that he had six months' leave of absence, although he was drawing his pay, as allowed by law, under the circumstances, an officer in the Army?—A. I should consider it perfectly legitimate and I should consider the object for which the six months' leave of absence was given, that a man might draw this pay and employ himself in some other business.

Q. I must confess that I am a civilian, and our perceptions are not as acute on this subject as those of the gentlemen of the sword; but I must confess I don't see the difference.

MR. STEWART. The law was passed for that express purpose.

THE WITNESS. The law was passed by civilians, wasn't it?

By MR. CASSERLY:

Q. He also got his full pay for a year under the law?—A. I don't recollect the provisions of the law.

Q. Well, there is no doubt of it.—A. He had six months leave of absence.

Q. I don't agree with your view or with Senator Stewart, that the law was passed for that purpose, as to give to an Army officer that was holding his position in the Army, drawing his pay, and wearing the honorable uniform of a United States officer, the right to engage himself in private pursuits, especially in connection with another department of the Government, for the sake of the lucre thereby to be acquired.—A. In answer to that—

Q. [Interrupting.] No; I don't care about any answer.—A. I want to give my reasons.

Q. Well, go on.—A. The law giving the six months' leave of absence, and no service was to be rendered to the Government, it was natural to presume that the men would go into some legitimate business rather than remain idle.

Q. Now, while the officer is on leave of absence he is at the order of the Government?—A. Not under that provision, where it is expressly provided.

Q. Supposing a war was to break out?—A. That is part of the contract between him and the Government, that he shall have six months' leave of absence.

Q. His resignation was tendered on the 1st of February, to take effect on the 1st of September. Do you mean to say that in that warlike emergency Colonel Leet's services were not at the call of the Government?—A. Under the ground of military necessity, I don't know what wouldn't be permitted.

By Mr. BAYARD :

Q. Mr. Leet stated that he tendered his resignation early in the spring, to take effect on the 1st of September, but that he was mustered out on the 1st of August in order to avail himself of the law, which gave him a year's pay if he was mustered out at that time. Now, if the resignation had been tendered and was irrevocable, how could he legally expect to be mustered out a month prior to the date when it was to take place?—A. I should think he could lawfully do so.

Q. It is a fact that he did, as stated by himself at least?—A. I am not a gentleman of the sword, although I served in the Army; I am a civilian myself. Probably at the commencement of the war I knew as little as Senator Casserly did about military affairs.

Q. I understood you to say that Mr. Haw, representing himself and Colonel Leet, did not get the labor contract?—A. Yes, sir.

Q. Are you able to understand the distinction between an objection to having Mr. Leet as a staff officer connected with the New York custom-house and Colonel Leet, though a staff officer, having an interest in the labor contract for a department of the New York custom-house?—A. Certainly not.

Q. You think there is none?—A. No, sir.

Q. You, of course, were working to do the best you could for your friend?—A. That is all.

Q. Let me ask you how early did Colonel Leet tell you he would like to get the general-order business?—A. Well, I think, shortly after the election for President.

Q. Then you, the ex-member of General Grant's staff, General Rawlins, General Grant himself, at least that number of persons, and, I think, the testimony is that General Porter also was there, but I will leave him out, knew, about the same time, that Colonel Leet wanted to get into the general-order business?—A. I don't know that General Grant did, but General Rawlins did, I think; General Rawlins did, I know; he knew he wanted some business here.

Q. Did General Grant ever explain to you why, upon his learning of Colonel Leet's behavior in regard to the Bixby arrangement, he took no steps to manifest his displeasure, or to hold up to public example the case of Colonel Leet?—A. I think not, sir; I know he said nothing to me about it.

Q. Did he ever explain to you why the general-order business was not at once taken away from Colonel Leet?—A. No, sir.

Q. Upon his discovery?—A. No, sir.

Q. Did he ever tell you of any mark of his dissatisfaction visited by him on any of the officers of the Government under him upon Colonel Leet in consequence of that conduct?—A. No, sir.

Q. Are you not perfectly well aware that one word from General Grant, as the executive head of the Government, would have been sufficient to any time deprive Colonel Leet of the general-order business?—A. I presume so, unless it is a matter of contract. I don't know whether it is or not.

By Mr. PRATT :

Q. Are you testifying to facts now, or inferences and suppositions?—A. My opinions, I believe.

Mr. CASSERLY. You are not going to urge that objection now, considering what a mass of inference you have already gotten out?

Mr. PRATT. I supposed we are here to get at facts and not inferences.

Mr. CASSERLY. Perhaps it would have been better to have confined ourselves to that all through the investigation. [To the witness.] There is no doubt of the fact that Leet & Stocking are to-day enjoying the general-order business in its full extent, so far as the North River trade is concerned in this city?—A. Well, I judge so, from general rumor and from the testimony in this case; I have no personal knowledge on the subject, as to the extent of the business, I mean.

Q. When was it that you spoke to Mr. Murphy, he being collector of the port, in regard to the letter which he said he had from General Grant?—A. Well, I don't remember—within a year ago—I know it was just after it was received.

Q. Just state what Mr. Murphy told you about it?—A. Mr. Murphy told me that he had received a letter from the President in which he said that he had understood that there were certain parties or party who had certain patronage or emoluments, obtaining it under the supposition that it was in accordance to his expressed wish, and if

that were so, he had never expressed nor had such a wish; and if that charge were true he wanted the parties relieved, or removed. That was the substance of it.

Q. Though Mr. Murphy did not say so to you, you understood that to refer to the case of Colonel Leet?—A. Yes, sir; Mr. Murphy may have said Leet. I understood him, and he understood, no doubt, and no doubt knew that I understood him to refer to Leet.

Q. That, you think, was at least a year ago?—A. Well, I should think so.

Q. Did Mr. Murphy tell you then that he intended to do anything about that letter?—A. No, sir.

Q. If that letter referred to Colonel Leet, has Mr. Murphy, so far as you know, ever done anything?—A. Not that I know of.

Q. To carry out the idea of that letter?—A. No, sir.

Q. Or to give practical effect to the dissatisfaction expressed by General Grant?—A. I have never spoken to Mr. Murphy about that letter since the conversation, until last evening, and only last evening to ask him whether he had showed me the letter or only told me its contents. He said he hadn't shown me the letter.

Q. Well, I didn't understand you to say he did?—A. Well, I wasn't sure whether he had shown me the letter or whether he had told me its contents.

Q. Did General Grant ever state that particular view to you himself, that he was dissatisfied that persons had obtained patronage and appointment here on the strength of personal friendship of his?—A. I don't recollect any statement now; I have no recollection about it.

Q. Do you know whether your conversation with Mr. Murphy, in which he spoke of General Grant's letter, was before or after Leet & Stocking received from Mr. Murphy all that remained of the North River business, so as to give to Leet & Stocking the whole of it?—A. I think it was after.

Q. According to the testimony, that change in the business, vesting the whole of the North River business in Leet & Stocking, was about September or October, 1870?—A. Yes, sir. Well, I think it was after that; I presume Mr. Murphy will produce the letter. I know it was shortly after the reception of the letter.

Q. You have stated that, though Colonel Leet was intimate with General Rawlins, he was less intimate with General Grant than any other person on General Grant's staff?—A. Yes, sir.

Q. Do you think that is entirely compatible with the very strong letter given him by General Grant in the General's own handwriting?—A. Well, the letter that General Grant writes there is nothing more than I know to have been his opinion of Colonel Leet. He regarded his integrity and ability very highly, and had a high respect for him, and everything contained in that letter is everything I know that General Grant thought of him as far as I heard him express his opinion. I stated the reasons, I believe, why there hadn't been so much intimacy between him and General Grant as between him and other members of the staff.

Q. If you did state those reasons I haven't heard them?—A. I stated the fact was that Colonel Leet, being originally detailed as a private soldier under the immediate direction of General Rawlins, and unless it was in the Chattanooga campaign, never served in the field as a staff officer with General Grant, and having his headquarters at Washington during the Potomac campaign, he consequently came less in contact with him.

By Mr. PRATT:

Q. How long were you examined yesterday evening by Mr. Bayard?—A. Well, sir, I was on the stand two hours and a quarter, and most of the time, or two-thirds of the time, was occupied by him.

Q. Look at your watch and state how long you have been under examination by Senator Casserly this morning?—A. I haven't my watch with me.

Mr. CASSERLY. Perhaps the Senator will oblige the witness by referring to his own watch, as he seems to be the time-keeper.

Mr. PRATT. (Taking out his watch.) It is a quarter past one.

Q. State how long you have been under examination this morning?—A. My examination commenced at about half-past ten, and it is now after 1 o'clock.

Mr. BAYARD. Perhaps it will be necessary for the Senator to know how long I will be in examining you and you will need the Senator's watch, although I must say that the performance of my duty will not be curtailed by any criticism upon his part as to the method I may pursue.

Q. Do you know whether Colonel Leet was called upon to give heavy bonds for his warehouse duties?—A. I recollect his speaking to me at one time about his warehouse bonds, but it was when he expected to change them.

Q. In what way?—A. I think Horton & Co. had bonded the warehouse, and Leet & Co., as I understood, took that business under the name of Horton for a while, and with their bonds.

Q. Did he call upon you to assist him in obtaining sureties upon those bonds?—A.

I think he spoke to me on the subject, whether he called upon me or not. I didn't assist him in doing it, I know.

Q. Are those bonds very heavy in amount?—A. Well, I really have forgotten. Mr. Murphy can tell exactly.

Q. He has stated here they were \$340,000?—A. Yes, sir.

Q. Did you go with him to see parties?—A. I don't think I did.

Q. Do you know Mr. Pratt, of this town, who was consulted on that subject?—A. Yes, sir; E. C. Pratt, I spoke to him about it; I had forgotten that.

Q. Did Mr. Pratt consent to become surety?—A. Mr. Pratt said he couldn't qualify to any amount.

Q. Did you take any other part in obtaining sureties for General Leet?—A. I don't remember; I might have spoken to Mr. Cutter about it.

Q. Did you go on the bond?—A. No, sir; I didn't procure any, and I had forgotten about it until you mentioned it—the matter of Mr. Pratt. He was a lawyer who had an office adjoining mine.

Q. What Cutter do you mean?—A. O. N. Cutter.

Q. You didn't procure any one?—A. No, sir.

Q. But made the attempt and failed?—A. Mr. Pratt was a lawyer in an office adjoining mine at that time, and we formerly lived next-door neighbors, and I have no doubt that I mentioned it to him incidentally; but I have no such acquaintance in New York with that class of men, that would enable me to aid him. Mr. Cutter was also a friend of mine who was on another bond, and it is possible that I may have spoken to him about the Leet bond.

Q. Those are the only two men you ever applied to in Colonel Leet's behalf?—A. Yes, sir. I don't remember ever applying to Mr. Cutter, but I think it is probable I may have.

Q. Colonel Leet was acquainted with those two gentlemen?—A. No, sir. O, no; Colonel Leet knew Mr. Pratt very well; an uncle of Pratt's wife. General Tyler was a particular friend of Colonel Leet, and he was introduced to Mr. Pratt's family when they lived next door to me on Forty-ninth street.

Q. He declined to go on the bond?—A. My recollection is that he said he could n't qualify to the amount; he didn't go on the bond; for what reason I don't remember positively.

Q. Do you remember who went on the bond?—A. I never saw the bond. I understand that Mr. Wakeman and Sheridan Shook are on the bond.

Q. You have no knowledge of how these sureties were obtained?—A. No, sir.

Q. The only connection you had with finding sureties were the ones you have mentioned, neither of which were successful?—A. No, sir.

By Mr. STEWART:

Q. Mr. Casserly asked you this question: You say it was a matter in which a public explanation was due from General Grant to the people. Have you stated anything of that kind?—A. I didn't intend to say it.

Q. Do you know anything of General Grant's connection with this that requires a public explanation to the people?—A. No, sir.

Q. You went to Washington after having called in the committee-room?—A. Yes, sir.

Q. And you had a conversation with the President?—A. Yes, sir.

Q. Do you know of any evidence that the President had anything to do with this business that required a public explanation from him—did you see or hear of any?—A. Of course, there is evidence here which some persons may undertake to construe to implicate the President. As far as my opinion of the evidence is, I can give it to you if you wish it; I haven't seen sufficient evidence, in my judgment, that should require him to make a public explanation.

Q. You have stated your connection with it, so far as you knew?—A. Yes, sir.

Q. You have stated all you knew about the transaction, which is about this: your evidence is, if I understand it correctly, that some time before the inauguration of the President you had a conversation with General Rawlins with regard to Colonel Leet?—A. Yes, sir.

Q. You say you felt an interest and were a friend of Colonel Leet?—A. Yes, sir.

Q. And that General Rawlins was?—A. Yes, sir.

Q. And that General Rawlins asked the President for a letter?—A. He told me he would, and had.

Q. And that you knew at the time that such a letter as has been presented here was given by the President?—A. I knew a letter had been given. I don't remember whether I ever saw this letter before this testimony was given or not.

Q. That Colonel Leet came over here and stopped with you?—A. Yes, sir.

Q. And that you didn't know that he had made any arrangement under this letter; you didn't know of this Bixby matter?—A. I didn't.

Q. But subsequently, when you were in Washington with regard to this labor con-

tract, you having made an effort to unite the efforts of William Haw and Colonel Leet in making bid for it?—A. Yes, sir.

Q. That you spoke to General Porter about it?—A. Yes, sir.

Q. That General Porter informed you that he had written a letter to Colonel Leet, who was then in Chicago?—A. Yes, sir.

Q. Stating that the President didn't want him to have anything to do with the custom-house?—A. Yes, sir.

Q. That you telegraphed to Mr. Leet to come to Washington?—A. And desired he should accept—

Q. Another matter?—A. Yes, sir.

Q. You telegraphed him to come to Washington?—A. Yes, sir.

Q. You then called on the President with regard to this matter?—A. Yes, sir.

Q. You found the President opposed to his having anything to do with custom-house matters?—A. Yes, sir.

Q. You explained that this was a competitive bid, and that all the world had a right to come to it?—A. Yes, sir.

Q. And that the President said that he had no right to control Colonel Leet's movements in regard to a matter of that kind?—A. Yes, sir; substantially.

Q. You were asked in that connection if the President hadn't the right to order him anywhere as an Army officer—to any part of the United States; I would ask you if it wasn't in that conversation contemplated that he would resign?—A. Yes, sir; that was expressly understood—that he would resign before he entered into that business.

By Mr. CASSERLY:

Q. Into what business?—A. The labor business.

By Mr. STEWART:

Q. The President said he had no right to control that matter; previously, while you were in Washington, you heard of this charge against General Porter?—A. Yes, sir.

Q. You don't recollect whether Colonel Leet's name was mentioned with it or not?—A. I am not sure about that.

Q. That you never heard of the Bixby matter; that that never came out till it came out before Mr. Patterson's committee?—A. No, sir.

Q. In the conversation with the President at the time, there was nothing said about Colonel Leet having that business?—A. Nothing at all.

Q. The conversation was entirely directed to what Colonel Leet was trying to get?—A. Yes, sir.

Q. The impression left upon your mind is, that if there had been anything of the past referred to, you would have heard it?—A. Yes, sir.

Q. Consequently you have given it as your opinion that the President was as ignorant of the Bixby matter as you were at that time?—A. Yes, sir.

Mr. BAYARD. I move that this testimony of the witness, together with the questions of Senator Stewart, be separated from the evidence given by the witness himself in the first place. The statements of the witness, I think, ought to appear by themselves, and Senator Stewart's understanding of the evidence ought to appear by itself. I have no doubt but Senator Stewart does believe what he stated to be a recapitulation of the evidence, but I want it to appear as such.

Mr. STEWART. I move, also, that the reporter be required to go through and state the recapitulations of the Senator, what the witness stated, and particularly in regard to this witness, and that he make an index, abstract, and digest of the same.

Mr. CASSERLY. I agree with the protest of my associate, Mr. Bayard. I desire also to call the attention of the chairman and the committee to the fact that a Senator who is most constant in his complaints of the time taken in taking testimony here has done more to bring about a consumption of time in the taking of testimony, by the course he so frequently pursues. What I mean is, the habit of the Senator, after a witness has been examined and re-examined by, perhaps, every Senator at this board, of taking a witness at the end of all that, and putting to him such leading questions, framed entirely in the Senator's own language, and according to his own views and wishes, as to extract such answers as he desires from the witness, which necessarily, Mr. Chairman, in the interests of truth and justice and fairness, require a re-examination of that same witness.

Mr. STEWART. I suppose it would be very gratifying to exclude me from the committee altogether.

Mr. CASSERLY. No; we don't want that.

Mr. STEWART. I have not repeated the examination hour after hour. The examination of the gentleman who just preceded me was repeated hour after hour to the witness—what the witness had already said—a good deal of time has been spent with influence.

Mr. CASSERLY. I am perfectly willing to take from a gentleman so intelligent as General Hillyer a considerable latitude of statement. What I object to is the habit of the Senator of Nevada in taking up a witness after everybody has got through with

him, and restating important portions of the testimony in his own way and in such a manner as to lead the witness to a direct answer, which would compel other members of the committee to re-examine that witness, to re-establish the truth of the statement as it was originally given by the witness, when he was let alone and allowed to state the facts in a proper manner.

Mr. STEWART. What I object to is that, after examining the witness three-fourths of the time, an objection should be made to my asking questions. It is hardly worth while that I should be on the committee without the right of asking questions. I object to have my mode of asking questions criticised. If stating to the witness what he has testified and asking if that is the right understanding of it is objectionable, the objection would certainly lie to the mass of testimony that the Senator has elicited from this witness and others. I have occupied but little time, and I ought to be allowed to ask a few questions. I have not been disposed to ask questions, because I think the time has been squandered, when we have been here for the purpose of investigating this matter and not here for the purpose of spending people's money. I don't think I am guilty of squandering the time of the committee.

Mr. CASSERLY. That is an idle matter, and I have said what I have to say as an excuse and justification for some further questions that I shall have to put to the witness.

Mr. BAYARD. I only spoke in answer to Senator Pratt criticising my examination last night. I only say this fact, that perhaps it will appear from the record, if we are here to obtain information, or those who obtain the information, or who sought for it, best subserved the interests of the public, or those who have not asked questions and were willing to let the witness go away unexamined, without stating what they know. I will withdraw the motion I made with regard to Senator Stewart's examination.

By Mr. CASSERLY:

Q. Mr. Stewart propounded to you a long question, the sum of which is: "Did I understand you to say that there is nothing in this matter to require any public explanation from General Grant?" to which you answered in the affirmative, that there was nothing.—A. Let me hear the question again.

Q. You can state it yourself.—A. What I wish to state and wish to be understood is that I see nothing here in the case, as far as I have read it, that requires the President of the United States to make a public explanation or a public vindication of himself. I know of no fact which he could explain or which requires explanation.

Q. Will you do me the justice to remember that I said explicitly to you that I didn't suggest that there was any necessity for any personal explanation from the Chief Magistrate of the United States?—A. Yes, sir; you did say so.

Q. And that my question was directed to the necessity of an explanation of certain facts connected with those transactions. Do you remember that distinction which I drew?—A. Yes, sir.

Q. Now, let me ask you, sir, whether it is or is not true that the idea in your mind in going to see General Grant, a day or two after your first appearance in this committee, involved the question of such explanations and statements, properly made, of course, either by you or otherwise by this committee, as would tend to clear up any facts that related to him in this matter?—A. I had no special purpose of that kind in going to see General Grant. I expected to have a conversation with him on the subject as a matter of personal interest for him, and I thought it was important that such facts, as I knew would vindicate him or vindicate anybody else whose character might be involved in the matter, should be stated before this committee.

Q. Then you did feel that there were matters connected with this whole subject of the general order as regards Colonel Leet's connection with it, and that it was for the interest of the President that they should be explained?—A. Yes, sir.

Q. Now, let me ask you, in justice to yourself, whether I have said anything to you in conducting this examination which involved the idea that the Chief Magistrate of the United States, be he General Grant or any other President who preceded him, could be under any necessity of explaining his course by a personal statement to the public?—A. Nothing that I have understood from you.

Q. With my ideas of the propriety of this investigation, I should be very sorry, by any implications in the very peculiar questions propounded to you by Mr. Stewart, to be put in any such a position. I disclaimed the idea and never had it in my mind. I think the President of the United States can make his statements on all such subjects by his life and acts, whether he be the President of to-day or of the last century. I understood you to say, also, that you were quite willing to give your testimony here at all times?—A. Yes, sir.

Q. And that you made a statement in regard to what you could prove, which you consented might be published and which was published in the Herald the next day?—A. I don't say what was printed in the Herald the next day was what I said. I made certain statements which one of the party—it was in the presence of several gen-

tlements—asked me if I had any objections to that fact being made known, and I said “No.” It was to a gentleman that I had no idea was connected with the Herald.

Q. It did so appear with some additions which you did not authorize?—A. Yes, sir; the matters that I did state did appear, together with a great many things that I didn’t state.

By Mr. STEWART:

Q. You say that, in going to Washington in regard to this matter, you thought it was well that the real facts should come out?—A. Yes, sir.

Q. When this Leet matter was alluded to, you thought it was well to give what information you had on the subject and let the facts be known?—A. Yes, sir.

Q. You don’t think it necessary to give inferences or speculations?—A. A great deal of testimony I have given here would not be allowed in a court of law.

Q. And you didn’t intimate in your examination that Senator Casserly sought to charge the President with anything in any answer to me, did you?—A. No, sir.

Mr. CASSERLY. Leave me to take care of myself, if you please.

Mr. STEWART. You asked him the question?

Mr. CASSERLY. Not in that way.

Mr. STEWART. You didn’t intimate to Mr. Casserly that you thought it necessary for the President to make a personal explanation?—A. No, sir.

Mr. CASSERLY. (To the witness.) I didn’t accuse you of any such perversion of my language, did I?—A. You didn’t accuse me. I don’t think it is proper for me to reply to the word perversion; I will state the fact. You didn’t say anything which I could construe into the suggestion as made.

Q. Now you have stated what is a new fact to me, although you may have stated it before, that, at the time of your conversation with General Grant in regard to Colonel Leet bidding for the labor contract, it is then understood that before Colonel Leet went into the labor contract he should resign from the Army?—A. Yes, sir.

Q. Do you mean by that that he should withdraw from the Army, or what do you mean?—A. I would have considered that if his resignation took place with the six months’ leave of absence that that would entitle him to go into private business.

Q. Can you be correct therefore in speaking of such a distinct understanding between you and General Grant, in view of the fact that Colonel Leet had already resigned in the month of February of that year, his resignation to take effect on the 1st of September?—A. Well, these bids were some time ahead; they were not to go into operation immediately, as I understood.

Q. But he had already resigned and was on leave of absence?—A. Yes, sir.

Q. Why, then, could there be any necessity for a conversation or an understanding between you and General Grant as to his resigning before he took the labor contract?—A. If I said so, I am mistaken. I don’t remember that there was any special statement made there that he was to resign, but the conversation was in reference to his going into business in New York when he left the Army.

Q. Your statement is, and that was in answer to one of Mr. Stewart’s questions, in the precise form of words, “Wasn’t it distinctly understood at that time” (speaking of the conversation with General Grant) “that Leet was to resign before going into the labor contract?” and you answered, “Yes.”—A. I say so, because my argument was that Colonel Leet was entitled to be a competitive bidder, and was based on the idea that he was going out of the Army, and, as a civilian, had equal rights with other civilians.

Q. Did you and General Grant have any conversation on that particular point as a matter of fact?—A. I think I stated that in my argument.

Q. To General Grant?—A. Yes, sir; that is my impression.

Q. But you couldn’t speak of his obligation to resign, because he had resigned already on the 1st of February?—A. As to the matter of date I don’t recollect the fact in reference to that. I only mean to say this, that my distinct understanding was, and, as I understood, General Grant’s distinct understanding was, that Colonel Leet was not to go into business until he had left the active service of the Army. When I say active service—when he had already left the Army—together, or left with the acceptance of a resignation, with six months’ leave of absence.

Q. He was already in that condition?—A. If that was so, that relieves all questions of that kind.

Q. How could there have been a distinct understanding between you and General Grant about Colonel Leet resigning before going into the labor contract, if he had already resigned and was on leave of absence?—A. In using the word resigned, I merely mean to say that it was understood that he was to leave the Army, whether by resignation to be tendered thereafter, or a resignation already tendered, I don’t remember.

Q. Do you mean by that to leave it actually?—A. To leave it either actually, or with the six months’ leave of absence, which would relieve the party from any actual service to the Government and give him a disposition of his time as he might see fit to use it.

Q. How is it possible that there could be any such understanding between you and General Grant, distinct or otherwise, as you have just now spoken of, whereas at that time Colonel Leet had resigned from the Army and was on leave of absence?—

A. Why, sir, it is the most natural thing to my mind that if in arguing a case—if Colonel Leet had been an Army officer, and had been on General Grant's staff, and was going to leave General Grant's staff, and wanted to go to New York, and wanted to make a competitive bid after he left the Army, there was no reason why he should not have the same privilege as a man who didn't know General Grant. There would be a distinct understanding. I don't pretend to recall the conversation in its details.

Q. Where a state of facts already exists, how is it possible to say there was a distinct understanding that they should go into existence in the future?—A. On the question of phraseology of the idea, I don't know that I can explain any further than to state the facts. What I intended to say was this, that my understanding was that it was General Grant's understanding that Colonel Leet was to go into this service, if he obtained it, after he had ceased to owe active service to the Government; whether upon a resignation previously made or a resignation to be made hereafter, I have no recollection.

Q. But at that time he had ceased to owe active service to the Government, and why was there any necessity for any understanding between you and General Grant on that subject, if that was a fact?—A. The understanding that was the basis of the argument—

Q. There is a good deal of difference between an understanding based upon an existing state of facts, and understanding based upon a state of facts which did not then exist?—A. No, sir.

Q. When did you, in your examination, first state this fact, that it was distinctly understood that Colonel Leet was to resign before going into the labor contract?—A. I don't remember.

Q. Did you state it for the first time under Mr. Stewart's examination?—A. I think not; I think I have stated it before. I have said so much that I really can't recall it all. My impression is that I have stated it several times. I think you will find that is a fair inference from my former testimony.

Q. Do I understand you to say, then, that, although Colonel Leet had already resigned and ceased to owe any active service to the country, there was a distinct understanding between you and General Grant that he should do that very thing still before going into the labor contract?—A. No, sir; I merely mean to say that my recollection was that there was a distinct understanding that Colonel Leet should not go into this service until he had ceased to owe service to the Government as a soldier.

Q. Is that all you wish to say on this point?—A. Yes, sir.

By Mr. STEWART:

Q. Does the fact stated to you by Mr. Casserly, that this resignation had taken place previous to that, have any tendency to qualify your recollection about your conversation on that occasion?—A. No, sir.

Q. Then, do you see how that illustrates any danger in the questions I have asked you; have any of them had a tendency to confuse you or embarrass you in getting at what you wanted to state?

Mr. CASSERLY. Perhaps, general, you had better leave the criticism to the committee.

The following letter was received on the 9th of March and ordered appended to General Hillyer's testimony:

NEW YORK, *March 9, 1872.*

MY DEAR SIR: I regard it as utterly immaterial to the issues under the consideration of your honorable committee how long I remained in the service or when Mr. Leet was attached to General Grant's headquarters as clerk. But as, at General Porter's special request, you permitted him to testify as to certain records on these subjects and make his comments thereon, I regard it as due to myself as well as to the just bearing of such testimony that you should be in possession of the exact facts in the case.

Months before the siege of Vicksburgh began, in compliance with a promise made to my family and an express understanding with General Grant, I announced my intention of retiring from the Army upon the fall of Vicksburgh. We all supposed that that would be the end of General Grant's active campaigns, and I, being a volunteer officer, did not desire to remain a day beyond the time when my active service would be required.

In pursuance with this understanding, I consulted with General Grant as to the date at which this event would happen, and my resignation was tendered to take effect on the day which he designated.

Contrary to our calculation, the city did not surrender at that time, and at the special request of General Grant and in conformity with my own preferences, I remained with him until the latter part of June. The fort surrendered on the 4th of July. I left a week or two before the surrender, owing to the fact that I was disabled from service by a severe attack of rheumatism, and left under the direction of our medical director. Although I was not literally there at the fall of Vicksburgh, I was there during all the offensive operations of the siege. I know nothing of the date of Mr. Leet's detail. I know that it was not customary at our headquarters to make a permanent detail of clerks until their fitness was tested by trial. The object of the permanent detail was to put the private on the headquarters pay-roll, as well as to authorize his absence from his company. While the company was stationed near headquarters, the private could draw his pay on the company pay roll, and his absence be authorized by the order of the commanding officer of his regiment or battery. The date of the detail, therefore, cited by General Porter, is no evidence to my mind, that that was the time Mr. Leet joined headquarters. On the contrary, it is evidence that he was at headquarters on trial for some time before.

When I testified in New York on this subject, Colonel Leet was present, and afterward talked with me about my testimony. He suggested some points on which he thought I was mistaken, but made no suggestion of inaccuracy on this point. Therefore, I am constrained to believe that I could not have been mistaken in stating that I knew Leet at Vicksburgh.

If he had assured me that I was mistaken on this point, I should have deferred to his recollection. At this moment I cannot recall the name of any other of the clerks or orderlies whom I saw every day during the siege of Vicksburgh, and would probably have forgotten Leet, if I had not met him after his becoming a staff officer.

I stated in my testimony that my impression was that Leet was detailed upon the recommendation of General Parker. If the stenographers reported me as saying General Porter, they misunderstood me. I never saw or heard of General Porter until he joined the staff of General Grant, during the latter part of the war.

I regret that General Porter did not consult with the President before testifying. I do not suppose the President could have informed Porter when Leet became a clerk at headquarters, but he would have informed him that I did not leave Vicksburgh upon the taking effect of my resignation.

I was not aware until I read General Porter's positive testimony that I left the Army and went to Saint Louis to practice law. My own recollection was that I came to New York for that purpose.

Very respectfully,

W. S. HILLYER.

Hon. WM. A. BUCKINGHAM,
Chairman Senate Investigating Committee.

I submit this statement as made under the oath hitherto made before your committee.

W. S. HILLYER.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

CHARLES A. DU MOULIN sworn and examined.

By the CHAIRMAN:

Question. What is your business?—Answer. I am employed by the United States weigher, James M. Thompson, as an assistant weigher.

By Mr. PRATT:

Q. Have you seen the letter of Mr. A. D. Rogers, of the firm of Eddy & Rogers, dated January 26, 1872, and published in the Tribune of February 6, 1872?—A. My attention was called to a letter from that firm published in the Times of that date.

Q. Look at that letter in the Tribune, and say whether that is the one you saw in the Times?—A. I should say, sir, it was a similar letter.

Q. I would ask you to state if you are the person referred to in this letter by the name of Muler?—A. No, sir; my name is Du Moulin.

Q. Are you the same person, however, that the writer of this letter calls Muler?—A. I am not the person that he calls Muler.

Q. He states that upon the arrival of the ship Princeton, having a cargo of 126 tons of cannel coal, at pier 48 East River, in December last, I believe it is, he was approached by the custom-house inspector and a man by the name of Muler, representing James M. Thompson, United States weigher, and that these men demanded that

he should give them three loads of coal and they would make the weight come out all right. Were you present at the time of the landing of this coal?—A. I was, sir.

Q. Did I understand you to say that you were a weigher under Mr. Thompson?—A. Yes, sir; employed as an assistant weigher.

Q. Did you weigh that coal?—A. I was present at its weighing.

Q. Will you state the process by which it was weighed?—A. It is the general practice, sir, of the weighers, in weighing foreign coal, to use tubs furnished by the Government, called custom-house coal-tubs. In weighing those tubs we get the tare—the net and gross weight of the tubs. They are marked 1, 2, 3, 4. They are then filled with coal and weighed after being filled, a certain number of tubs being weighed to each ton, as it were, and the balance of the coal carried out of the ship; and after it is exhausted the books are sent to the office and their weights are made up by a clerk employed for that purpose.

Q. Did you see the tally that was kept of the number of tubs of coal in this vessel?—A. I kept the tally myself, sir.

Q. Will you look at this book, which I now hand you, and state whether the tally was kept in that?—A. That is what is called the “dock-book” of the ship Princeton. Those tallies are in my writing or checking.

Q. State the result of the entries on that book. State what they are, so that the reporter can get them.—A. The result I have no means of knowing, neither am I allowed to by my employer, excepting the number of tubs discharged from said cargo. Then this book is handed into the office and the clerk makes up those accounts, which are not accessible to any of the employés of the establishment. I have no right to know of my own knowledge what the result of my tallies is.

Q. Could you not ascertain the result by adding together your tallies?—A. I can only ascertain the result by the number of tubs of coal delivered.

Q. You may state what the number of tubs is.—A. The number of tubs is 1,098, according to this tally.

Q. How many pounds to a tub?—A. That I don't know, sir; some coal will weigh more and some less.

Q. Do you know, then, as a matter of fact, how many tons of coal there were on board of this vessel?—A. I do not, sir; my simple duty was to go on board and tally the coal out irrespective of any number of pounds or tons.

Q. Who was the inspector in charge of this vessel at the time she was discharging her cargo?—A. A gentleman, I believe, by the name of Cloyes. What his first name is I don't know; I never asked.

Q. Was he present at the time that the coal was unloaded and weighed and being discharged?—A. Yes, sir.

Q. Can you give the names of the persons present at the time the entries were made upon that book?—A. I cannot; there were probably twenty or thirty; stevedores, stevedores' men, captain and mates, custom-house officers and myself.

Q. What custom-house officers besides yourself and Mr. Cloyes?—A. There was a gentleman, I believe, on board of the vessel under instructions as an inspector to Mr. Cloyes on that occasion—there under instructions, in order to become posted in his duties.

Q. Did you or did any other person in your presence make any demand upon Mr. Rogers for a load of coal?—A. To the best of my knowledge and belief I never exchanged a word with Mr. Rogers *pro* or *con*, directly or indirectly.

Q. Did you see him upon the pier while the coal was being unloaded and weighed?—A. I saw a gentleman there that was pointed out to me as Mr. Rogers. I never was introduced to him and, to the best of my knowledge, never exchanged a word with him.

Q. Was there any person of the name of Muler that was connected with the unloading of this vessel?—A. Not to my knowledge, sir.

Q. Have you any further statement to make in connection with this matter?—A. I have no statement.

By the CHAIRMAN:

Q. Were none of the tubs of this coal weighed?—A. Yes, sir.

Q. How many?—A. If you will allow me to look at this book I will tell. [Referring to memorandum-book.] There were 126 tons of coal, and there were 10 tubs weighed.

Q. Were they weighed when you first commenced discharging the cargo or in the latter part?—A. I think, sir, they were weighed during the middle of the first day. I think they were; I am not positive on that point. They were not weighed on the first discharge; that is, the first coal that went out was not weighed, but during the first day the coal went out they were weighed.

Q. Can you give a correct average of the weight of the coal?—A. That I don't know, sir; I have only been in the employ some few months. I don't know anything about the inside workings of the United States weigher's department.

By Mr. PRATT :

Q. I will ask you to look at that gentleman sitting behind the bar and state whether that is Mr. Rogers that you referred to.—A. That was the gentleman pointed out to me as Mr. Rogers.

Q. I understand you to say to the committee that you had no conversation with him at all?—A. To the best of my knowledge and belief, I never exchanged a word with him.

Q. I understand you to say that neither yourself nor any person within your hearing made a proposition to Mr. Rogers to deliver a load or loads of coal?—A. Most decidedly, sir.

By Mr. BAYARD :

Q. Have you there the return to the custom-house of the weights? What did you make that invoice of coal weigh?—A. I have no right to make any weight. All I have to do is to take tallies. This book goes into the office and the clerks make up the weights.

Q. Have you footed it up at all at any time?—A. I never have, sir.

Q. Do you know Mr. Fox, the city weigher?—A. I don't know any gentleman of that name.

Q. Do you know the city weigher who weighed the coal of Eddy & Rogers?—A. I saw a gentleman who was said to weigh that coal. I never knew what his name was.

Q. Did you on that day go to Mr. Fox—go to this gentleman, the city weigher—and compare with him the weights?—A. Did I go to him and compare weights?

Q. Yes, sir.—A. No, sir.

Q. And did you further say to him that you were 169 pounds about within the weight that he had made?—A. I didn't go to him; he came aboard of the ship. I will explain that.

Q. Then he came to you?—A. Yes, sir.

Q. You met?—A. Yes, sir; we did.

Q. Did you or not state to him that the weights you had taken brought the invoice out within 169 pounds or thereabouts that he had?—A. Not the weights that I had taken. I will explain. There was another consignment of coal on this ship, which was being weighed by another city weigher in some kind of a patent clap-trap coal-weighing machine, and I had seen him take his weights. Averaging his weights so much to the draught, which were three tubs to the draught, I footed up the number of tubs I had drawn for Rogers & Eddy, taking his figures as a basis of what this coal would weigh, and that was about the result of our figures, but not from the figures.

Q. Well, now, leave out the question of the clap-trap machine and another invoice, and we'll discuss the one you are testifying about—the invoice consigned to Eddy & Rogers. I will ask you whether you did or did not on that occasion speak to the city weigher, compare the weights of this invoice of coal with him, and find either you remarking or he remarking that there was but 169 pounds between you on the entire invoice?—A. As I said before, on the basis of those figures I had taken. This city weigher was weighing on board of the ship.

Q. Did that relate to the invoice of Eddy & Rogers—the figures you were comparing?—A. Yes, sir.

Q. Then you did state to him that your calculation of the weight was within 169 pounds of the entire invoice, of the weight he ascertained?—A. Of the figures taken from the city weigher's draughts, but not on the figures that had been taken on this coal by the other party that weighed. I didn't weigh it personally.

Q. I thought you said you were the weigher, and weighed it?—A. No; I said I was present when the coal was weighed. I tally the coal.

Q. What's your position under James M. Thompson?—A. Assistant weigher.

Q. Is that your title?—A. No; I suppose it is a "make-weight."

Q. What's your pay?—A. Forty cents an hour, when actually employed; a laboring man's on the dock. That's the way we were paid.

Q. Are you a sworn officer?—A. No, sir.

Q. You receive 40 cents?—A. Yes, sir.

Q. You didn't actually weigh this coal of Eddy & Rogers at all?—A. No, sir; I was present when it was weighed.

Q. Did you see a Mr. Benedict, of New Haven, there?—A. I saw a gentleman pointed out as such.

Q. He was there that day?—A. He was, during the delivery of this coal.

Q. He had an invoice of coal on board of the same ship, did he not?—A. I believe he did, sir.

Q. You say you made no application to Mr. Rogers to have a load of this coal sent to you?—A. Emphatically I say no, sir.

Q. Do you say that you made no application to Mr. Benedict to have a load of this coal sent to you?—A. I do, sir.

Q. How near were you standing to Mr. Cloyes, the custom-house officer?—A. When?

Q. During the time this coal was being discharged.—A. Sometimes I was at one end of the ship and he at the other; sometimes we were together; sometimes he was in the hold and I was in the cabin.

Q. You say now that at no time while this ship was discharging, while you were standing near to Mr. Cloyes, that he made the proposition to either Rogers or Benedict that he should receive a portion of this cannel coal?—A. I never heard any person, either directly or indirectly, approach either Mr. Rogers or Mr. Benedict in relation to having any coal sent to their houses, or given to them.

Q. No proposition of that character?—A. I never heard it, sir, directly or indirectly.

Q. You knew Mr. Cloyes?—A. I never knew him until that day that he was put aboard that ship.

Q. That's his name? He is inspector there?—A. I am so informed, that that is his name.

Q. I wish you would state again this comparison of weights with the city weigher—what it amounted to?—A. The instrument—I don't know what it's called—the weighing-machine that he had aboard the Princeton—he was in the employ of Mr. Benedict, I believe, or the party who had this consignment of 251 tons of gas-coal. I asked him how much he weighed at a draught, and he said they averaged about 700 to 710 pounds to the draught.

Q. Was this the man who was weighing Eddy & Rogers's coal?—A. No, sir; weighing Mr. Benedict's coal, or whoever this gas-coal belonged to; I presume Mr. Benedict.

Q. Go on, sir.—A. And on that basis, when this weigher of Messrs. Rogers & Eddy came aboard of the ship, we compared figures, and that was about the result.

Q. You have there the returns that were made. It was those weights that were returned to the custom-house for the coal of Eddy & Rogers for that invoice?—A. I presume they were, sir. I have no knowledge of knowing to the contrary.

Q. No one took them but yourself?—A. Those tallies were mine.

Q. You were the person who made the actual weight of the invoice—ascertained it?—A. No, sir. The actual weight was made by the clerk in the office. We are not allowed to make up the weights of any invoices.

Q. Who weighed this coal?—A. A gentleman by the name of Jacob Moore.

Q. He is one of Thompson's men?—A. The same as I am.

Q. Was he in the same gang you were?—A. We were aboard of that ship together. He weighed it, and I put the figures down on this book.

Q. Those are your figures?—A. Yes, sir.

Q. Are those the figures that went to the custom-house as the weight of that coal?—A. I expect they are. I didn't see the weight made up; I didn't see the books from that time until the inquiry yesterday, I think it was.

Q. Tell me how you ascertained those figures.—A. I said, in the first place, that the tubs were weighed and then marked, empty, and then they were filled full of coal, and weighed again.

Q. And you took the weights?—A. No, sir; Mr. Moore did, and gave them to me.

Q. Is he employed, like yourself, at 40 cents an hour?—A. Yes, sir.

Q. I understand you to say that you are not sworn in your office?—A. No, sir.

Q. Those are the weights that the Government depends upon for its duties?—A. I think so.

Q. Where was Mr. Thompson at that time—during the discharge of that cargo?—A. Sometimes on the ship, on the dock, in his office, and generally, between 12 and 1 o'clock, he was at the custom-house receiving instructions.

Q. Where was O'Carrol, his foreman?—A. Either on the ship, the dock, or in the office. We have no particular means of knowing where they are when we are employed on the dock.

Q. You go on weighing, whether they are there or not?—A. Certainly.

By Mr. CASSERLY:

Q. What was your occupation before you became an assistant weigher for Mr. Thompson?—A. I have been in several occupations during my life.

Q. Just before you entered into the employment of Mr. Thompson?—A. I was in the cigar business—retail cigar business.

Q. How long have you been with Thompson?—A. Will you allow me to examine a memorandum to refresh my memory?

Q. Certainly.—A. I commenced with Thompson on Thursday, the 12th day of October, 1871.

Q. Just before that you were in the cigar business?—A. Some few months previous. I was out of business perhaps two or three months.

Q. Mr. Bayard suggests that I ask whether you have ever been a weigher?—A. No, sir; I knew nothing of it until I went with Thompson.

Q. Had you any settled calling in life?—A. No, sir.

Q. Either as a mechanic or—A. O, I had learned a trade, a mechanical business, when I was young, but I never worked at it after I was out of my time.

By Mr. BAYARD :

Q. You know Mr. Cloyes personally, do you not ?—A. Casually.

Q. You have met him since you have been here in attendance on this committee, I suppose ?—A. Yes, sir; since yesterday morning I have seen him several times.

Q. You have been together here since ?—A. Yes, sir.

By Mr. CASSERLY :

Q. You get laborer's wages simply ?—A. Yes, sir.

Q. Do you make your full time usually—ten hours a day ?—A. I rather think I have averaged about \$40 a month since the 12th of October, 1871.

Q. Not more than that ?—A. Not more than that, sir.

Q. Do you have to rely on that ?—A. Entirely, sir.

Q. That slender compensation ?—A. Yes, sir.

By Mr. BAYARD :

Q. Are you a single man ?—A. No, sir.

Q. You have a family ?—A. Of twenty-five years' standing.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

WILLIAM O. CLOYES sworn and examined.

By Mr. PRATT :

Question. You may state your name and official position, if you hold one.—Answer. My name is William O. Cloyes; I am an inspector of customs, now holding a position in New York.

Q. How long have you been an inspector ?—A. Since about a year ago; I think I was appointed on the 10th of December.

Q. Are you acquainted with a United States weigher by the name of James M. Thompson ?—A. I am, sir.

Q. Are you acquainted with an employé of Mr. Thompson's, who has just testified—Mr. Du Moulin ?—A. I have seen the gentleman. I never saw him until he came on board the Princeton, to my knowledge. His name I didn't know at that time.

Q. I will ask you to state to the committee whether you superintended the discharge of the Princeton.—A. I did, sir.

Q. At No. 48, East River ?—A. Yes, sir; with the assistance of a gentleman by the name of Cumberson, who was there under instructions.

Q. Cumberson was an inspector of customs ?—A. Yes, sir.

Q. Have you seen the letter of Mr. A. De L. Rogers, of the firm of Eddy & Rogers, to the chairman of this committee, of the 26th of January, 1872 ?—A. I have, sir.

Q. You may state if there was any other person connected with the discharge of the cargo of that vessel besides yourself, whose name answers to W. A. Cloyes or Clayes ?—A. No, sir; there is not.

Q. You are the same person referred to, then, in this letter ?—A. I suppose I am, sir.

Q. Do you recognize Mr. Rogers in the room at this time ?—A. I recognize that gentleman as coming aboard the vessel. I don't know whether he said his name was Rogers, or who he was.

Q. Did he assume to be the owner, or part owner, of the coal ?—A. He came aboard about 11 o'clock, I think, from the 6th to the 9th, I don't remember exactly which, because I haven't got the books, and he said, "What's the reason this coal is not being discharged?" At that time there were fifteen or sixteen one-horse carts upon the dock. He came down on horseback. I says to him, "Who are you?" Says he, "My name is Rogers"—I think he said his name was—"I own this coal and I would like to have it put out." I says, "The coal can't be put out until it is permitted." He says, "I have got the permit in my pocket, and I was down here yesterday." I says, "You ought to have left it here." I think after dinner, about 1 o'clock, the coal was commenced to be discharged, and that was all the conversation I had with the gentleman on that day.

Q. Did he produce his permit at that time ?—A. He did.

Q. And leave it with you ?—A. Yes, sir.

Q. And you commenced unloading that vessel, you say, that day ?—A. Yes, sir; we had already been discharging another lot of coal, which went out of the ship in lighters on the opposite side.

Q. Benedict's coal ?—A. It was not Mr. Benedict's, according to the permit.

Q. Was it gas-coal ?—A. Yes, sir.

Q. Destined for New Haven ?—A. I don't know, sir; it was permitted by a gentleman of the name of Driggs or Briggs.

Q. You say Rogers came down the next day ?—A. I think he was on board the ves-

sel once afterward. His assignment of coal was all put out in about a day and a half. I had no conversation with him further than he asked me how it was getting along, and I says, "The coal is getting out all right." That's all the conversation I had with Mr. Rogers.

Q. Did you in that conversation, or did any person in your presence, make a demand upon Mr. Rogers for a load of coal?—A. No, sir; nor I never heard any one else.

Q. The statement in his letter is: "These men said to me, 'Give us three loads of your cannell and we will make the weight come outright; we think you must have 140 tons; send the cannell to our house'—giving street and number that I cannot now recollect—'and we will let it go at not over 126 tons.'" You may state whether you used any such language as that.—A. I swear positively I never had no such conversation with the gentleman at all, and that I had no knowledge of the amount of coal that was aboard the ship other than the face of the permit. I think one lot called for 126 tons and the other lot for 250 odd tons.

Q. Are you familiar with this dock-book where the amount was checked off?—A. I am not, sir; I only saw it in the hands of the weigher. I notified Mr. Thompson to send down a man to tally the coal. He did so; the coal was weighed, both lots; and I will state here that there is a difference in the weight of house-coal and gas-coal, as I understand. That is, what is called "house-cannell" is large lumps, and the "gas-cannell" is small lumps; and the gas-coal—tubs of gas-coal, I think—will weigh more or less than the large lumps. I never have seen them weighed, but I know both lots were weighed.

Q. Who makes the estimate of tons and enters it in the dock-book?—A. The weigher.

Q. Mr. Thompson?—A. Yes, sir.

Q. Do you, as a matter of fact, know how many tons there were?—A. I don't know, sir; I have no knowledge of the amount of coal that was on board that ship.

Q. Would you recognize the dock-book if it were shown to you?—A. I have no doubt but I should, sir.

Q. [Handing book to witness.] You may look at this book and state whether that is the one used in the discharge of the Princeton?—A. From the general knowledge of the cargo of the ship—not from the coal—from the other cargo, I should say that it was.

Q. From first to last, did you hear any corrupt proposition made to Mr. Rogers by any person?—A. I did not.

By Mr. BAYARD :

Q. How long have you been a custom-house inspector?—A. Since the 10th of December, 1870.

Q. Who was the person whom you had under you for instructions?—A. I think his name was Cumberson. I am not positive whether his name was Charles or not.

Q. How long had he been appointed?—A. He had only been appointed a few days.

Q. How many?—A. A few days.

Q. Did you yourself discharge that ship?—A. I did, sir.

Q. Entirely?—A. Yes, sir; at least I superintended the discharge; the stevedores discharged her.

Q. By that I mean did you do the inspection of the discharge of that ship?—A. I did, sir.

Q. Did you on that day see Mr. Benedict, of New Haven?—A. I don't know the gentleman, sir.

Q. Did you see any man whom you understood to be the owner of the invoice of gas-coal?—A. I saw Mr. Driggs aboard the ship. Captain Porter, of the ship, told me that he was the gentleman that owned the coal. He said his name was Driggs, or Briggs.

Q. What was his appearance?—A. He was a tall, thick-set man, but I could not tell whether he was a dark or a light complexioned man, now. I saw them talking together, and I asked him afterward, when he went away, who he was, and he told me.

Q. Who did you ask?—A. The captain of the ship—Porter.

Q. Do you know Mr. John T. Ward?—A. I do not; no, sir.

Q. Do you know the city weigher who was down there that day weighing this larger invoice of gas-coal?—A. I don't; I never saw him until he was aboard the ship.

Q. Did you see him then?—A. Yes, sir; I saw two different men weighing there.

Q. Do you know his name?—A. I don't know either one of them.

Q. Did you ask that city weigher, who weighed this coal consigned to Briggs, who the gentleman who owned that coal was, after he had left the ship?—A. Not entirely, no, sir. I had no conversation with this gentleman that weighed the coal except to call his attention at one time—he had a box rigged up on a platform there with a pair of scales on it, and a sliding-shoot. I called his attention at one time that one corner of this box rested upon the plank, and told him that he couldn't get the exact weight of the coal with the machine that way.

Q. Did you ask after this gentleman left the ship whether he was the owner of the coal; you say you did ask the captain?—A. I asked the captain who the gentleman was. I didn't ask him whether he owned the coal or not.

Q. What did he say to you?—A. He told me his name was Driggs.

Q. He was the consignee of this coal?—A. Yes, sir.

Q. Did you see a gentlemen whom you understood to be Benedict, the owner of the coal, on board of the ship that day?—A. I saw a gentleman who came down and had some dispute relative to the coal, and asked me permission to go down between decks to see if there was matting between the two lots. He said that he had bought it. I don't know his name.

Q. You don't know his name?—A. I don't know his name; no, sir.

Q. Was Mr. Rogers there at that time?—A. Mr. Rogers and Mr. Benedict were there, I believe, at the time. I don't know that Mr. Rogers was there at the time that Mr. Benedict, or whatever his name was, asked me to go down between decks, but Mr. Rogers came there afterward, and this gentleman tallied out several parts of coal which he claimed was enough to make up the lot belonging to Mr. Rogers.

Q. Was it the gentleman who claimed to be the owner of the larger lot and asked your permission to go between decks to see whether it was kept separately or not, whom you understood to be Mr. Benedict?—A. Yes, sir.

Q. Now, I will ask you if you did not demand of that gentleman, whom you understood to be Mr. Benedict, a lot of his coal?—A. No, sir; I swear positively that I did not.

Q. Did you intimate to him that if you would get a lot of that coal you would serve him in the matter of its weight?—A. No, sir; I didn't, because I have nothing to do with the weight nor the returns of the weight.

Q. Did you make any such demand upon him three or four subsequent times, when he was on board of the ship?—A. I did not at any time.

Q. Did you give him to understand that unless your requirements were acceded to he should be made to suffer?—A. No, sir; I did not.

Q. Did any person in your presence?—A. No, sir; not to my knowledge.

Q. Did any person in your presence make any such statement to Mr. Benedict, the person who went down and claimed to be the owner of the coal?—A. No, sir; I don't think they did. I heard the mate of the ship talking with Mr. Benedict about coal, but what the conversation was I don't know.

Q. Was any such statement—any demand made upon Mr. Rogers by you?—A. No, sir; there was not.

Q. Was any such demand made by Mr. Du Moulin upon Mr. Rogers?—A. No, sir; not in my presence or to my knowledge.

Q. Was there nothing at any time said by any one during the discharge of that vessel in regard to you or Mr. Du Moulin, or both of you, and a third party, or a third party, having coal sent to them, or that the owners should be made to suffer in the weight?—A. No, sir; not to my knowledge.

Q. You say you saw a man who was weighing there—a city weigher—who weighed the larger invoice of Mr. Benedict?—A. I say there was two men there.

Q. You say you don't know John T. Ward by name?—A. No, sir; I don't know him.

Q. Did you, on this occasion, ask that weigher "who was that stout man who had just left?" referring to the gentleman who had gone down to examine the coal between decks?—A. I don't think I did; I might; I don't know as I did.

Q. Did you make the remark to this weigher, or to either of those men, in respect of Mr. Benedict, that he was "a damned mean old cuss;" that you had tried to get him to give you a load of coal, but that he would not do it?—A. No, sir; I didn't. I never made any such statement at all.

Q. Did you say that you would get square with him?—A. No, sir; I did not, for I had no occasion to get square with him, I didn't know the man. He had done nothing to me to get square with him for.

Q. Did you turn, at that time, to the stevedore and ask him if he couldn't stop work on the coal and land goods?—A. No, sir, I didn't; because the coal was between decks, and nothing such could be got out of the ship until after the coal was discharged, except a small invoice of salt which was in the after hatch, which, I think, had been discharged previous to this.

Q. How many hatches had that ship?—A. Three hatches.

Q. How many were you discharging from at that time?—A. Two.

Q. Were you superintending the discharge from both?—A. Yes, sir. The time that we were discharging coal we were discharging nothing else, with the exception that we might, some time during the time this coal was being put out, might discharge some salt from the after hatch. They were discharging coal mostly from the main hatch. I will state here that the first lot of coal was taken out of the after hatch, which belonged to this gentleman whom you say was Mr. Benedict—it was placed in a lighter or canal-boat alongside. When this canal-boat was filled, there was some talk about how much they had on board. The conversation, exactly, I don't know, but I know

the lighter—this city weigher was weighing it—the lighterman thought that he had some 10 to 15 tons more on than what the weigher said, on account of the draught of water of the lighter; he said he could tell about the draught of the water. I heard him make that statement, but the general conversation I don't know, because I paid no attention to it. It was nothing that concerned me.

Q. Well, sir, you are clear that there was no intimation by you, or by any one in your presence, to any one connected with the ownership or control of either of those invoices of coal, that you wanted a portion of it sent to your house or anywhere else?—A. That's what I say, sir.

By Mr. CASSERLY:

Q. What is your age?—A. I am thirty-four years old to-day.

Q. What was your occupation before you became a custom-house inspector?—A. I am an engineer; during the war I was engaged in the United States service as an engineer, under Commodore John L. Worden.

Q. Steamboat engineer?—A. Yes, sir.

Q. Did you follow that occupation down to the time you entered the custom-house?—A. No, sir; just before I was in the custom-house I wasn't doing much of anything. I had lost a job where I was working on at Singer's sewing-machine factory, at New York, as a tool-maker. By profession I am a machinist, and served a regular apprenticeship at the trade at the Ames Manufacturing Company, Chicopee, Massachusetts.

Q. How long had you lived in New York before you were appointed in the custom-house?—A. Fourteen years I have lived in New York. I served my time in Chicopee, Massachusetts, before I was twenty. I was out of my time at that time. At the period the war broke out I was employed in the Novelty Iron Works, New York, and left there to go in the Navy.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

A. DE L. ROGERS recalled and examined.

By Mr. BAYARD:

Question. You have seen Mr. Du Moulin, who was examined as a witness here, the weigher of Mr. Thompson?—Answer. Yes, sir.

Q. Is he the person whom you described in your letter of the name of Muler?—A. The same.

Q. The same man?—A. Yes, sir.

Q. You misunderstood his name?—A. I did; yes, sir.

Q. Is the person who has just been examined, Mr. Cloyes, whose name is printed in this paper as Clayes, the same party?—A. The same party; yes, sir.

The depositions of the following persons were here read in evidence by the clerk: H. W. Benedict, John T. Ward, Charles G. Barrett, and Manasseh Briggs.

City and County of New York, ss:

H. W. Benedict, being duly sworn, says he is one of the firm of H. W. Benedict & Co., merchants, of New Haven, Connecticut, and were owners of 251 tons gas cannel-coal, ex ship Princeton from Liverpool, as per bill of lading dated 19th October, 1871, and that said coal was entered at custom-house in name of our agents, M. Briggs & Co., of New York. After the arrival of said ship, deponent, upon going on board at pier 48, East River, about the first week in December, was approached by the United States custom-house inspector, (whose name, I understand, is W. O. Cloyes,) who demanded of me a cart-load of our coal, which he did not offer to pay for, but intimated that he could serve me in the matter of weight, &c. I told him that our cannel appeared to be mixed up with another shipment belonging to other parties, and that I had decided to have our lot all weighed by a city weigher on the ship's deck before it was landed. Still he continued persistent in his demands the three or four subsequent times that I went on board the ship, and gave me to understand that unless his requirements were acceded to I should be made to suffer.

Our coal was all landed from the ship into lighters, and the following is a copy of the city weigher's return as delivered: "Boat H. M. Niles, 509,955 pounds; boat General Grant, 26,826 pounds, making 536,781 pounds, or 239 tons 12 cwt. 2 qrs. and 21 pounds gross."

The above was transported to New Haven in barges, and there weighed and found correct.

I notice the United States weigher has returned the invoice as 254 tons 16 cwt. 0 qrs. and 6 pounds, being over 6 per cent. in excess of the weight actually recovered.

H. W. BENEDICT.

Sworn to before me this 30th day of January, 1872.

[SEAL.]

A. W. HALL,
Notary Public, New York County.

John T. Ward, being duly sworn, says he is a city weigher, and resides at No. 668 Lorimer street, Green Point, Long Island, and was employed during the month of December last to weigh part of an invoice gas cannel-coal, on board ship Princeton, at pier 48, East River, as it was discharged into lighters. A gentleman came on board the ship, and made some inquiry in reference to the coal, and the inspector, W. O. Cloyes, said to me, "Who was that stout man just left?" I told him I did not know positively, but thought it was Mr. Benedict, the owner of the coal. Cloyes then said to me that he (meaning Mr. Benedict) was a "*damned mean old cuss*;" that he had tried to get him to give him a load of coal, but that he would not, and that he meant to get square with him. Cloyes then asked the stevedore if he could not stop work in coal and land goods.

The gas-coal was mixed with another lot of cannel, and I saw some gas cannel being landed on the dock with carts.

JOHN T. WARD.

Sworn to before me this 1st day of February, 1872.

[SEAL.]

SAMUEL GODEN,
Notary Public.

Charles G. Barrett, being duly sworn, says he is one of the firm of Messrs. J. Skidmore & Sons, coal-dealers, of this city, and that we are one of the largest importers and receivers of English cannel coal; and that for two years past we have had an allowance of $2\frac{1}{2}$ per cent.—say $2\frac{1}{2}$ per cent.—made on the invoice cost of all our importations, to go against short weight of delivery in New York, and in many instances the above allowance does not cover the deficiency in weight.

CHAS. G. BARRETT.

Sworn to before me this 31st day of January, 1872.

[SEAL.]

LEVI GRAY,
Notary Public, New York County.

Manasseh Briggs, being duly sworn, says he is one of the firm of M. Briggs & Co., merchants, of New York, and that they are agents for J. P. Higginson & Co., Liverpool, England, principal shippers of cannel coal to this market; and for the past two years they have authorized us to deduct $2\frac{1}{2}$ per cent. on the invoice cost of all house or round cannel, to go against short weight of delivery in New York, and I have understood the above allowance does not always cover the deficiency in weight.

MANASSEH BRIGGS.

Sworn to before me this 31st day of January, 1872.

LEVI GRAY,
Notary Public, New York City and County.

FIFTH AVENUE HOTEL, NEW YORK, February 3, 1872.

WILLIAM O. CLOYES recalled.

By Mr. PRATT:

Question. Have you heard the affidavit of John T. Ward, which was just read by the secretary?—Answer. Yes, sir; I have.

Q. He says in that affidavit that a gentleman came on board the ship, referring to the Princeton, and made some inquiries with respect to the coal, and the inspector, W. O. Cloyes, said to me—that is, to Ward—"Who is that stout man just left?" I told him I didn't know positively, but thought it was Mr. Benedict, the owner of the coal.

Cloyes then said to me that he—meaning Mr. Benedict—was a “damned old cuss;” that he had tried to get him to give him a load of coal, and he wouldn’t, and that he meant to get square with him. Cloyes then asked the stevedore if he couldn’t stop work on the coal and land goods. I will ask you to state to the committee whether you said or used this language, or any equivalent language, to Mr. Ward?—A. I swear that I never did, and that I never had no conversation with the weigher at all—with this gentleman who was weighing the coal for Driggs, or coal that was going in the lighter, whoever it belonged to.

Mr. BAYARD. I don’t wish to interfere at all with the game, but I don’t know whether my brother Pratt is aware that I asked the witness the same questions in reading from that affidavit. [To the witness.] You were asked all those questions by me, were you not, about Mr. Ward?—A. I believe I was. I would like to have the committee summon this man Fox, and perhaps the stevedore, and perhaps if they ask Mr. Rogers what Mr. Fox did with some of the coal, they can ascertain more about it.

By Mr. PRATT:

Q. Did you ask the stevedore if he could not stop work on the coal and land goods?—A. I might have done it. I don’t know that I did, because I know at some time we were waiting for carts, and I might have asked him to knock off on the coal, because they did that sometimes, knock off on one kind of goods and put out another. I understood after the coal was all discharged that Mr. Rogers had some trouble with the city weigher, Mr. Fox; it was about coal being delivered to some other place besides the place designated by Mr. Rogers, and that the city weigher paid for the coal, or one load of it. I think the coal was delivered in Maiden lane.

By Mr. STEWART:

Q. That was what you requested to be asked of Mr. Rogers?—A. Yes, sir.

By Mr. CASSERLY:

Q. I want to ask you a question. I understood you, when you were first examined, to say that you could not have said to the stevedore, “Can’t you knock off on coal and discharge goods?”—A. I will state there was—

Q. Did you or not? Just answer that question.—A. I made that statement, that I might have said so to the stevedore, because there was no other lot of goods that could be discharged, except salt, in the after hatch.

Q. What you stated was that you couldn’t have said that to the stevedore, because the coal was between decks, and there was nothing else but salt in the after hold?—A. No, sir; I didn’t make that statement; I believe not.

Q. What did you say when you were first examined? Did you admit that you had said that to the stevedore, or did you deny it?—A. No, sir; I didn’t. I stated there was no other cargo could be got at when we were discharging Mr. Rogers’s coal; that there was another consignment of coal between decks.

Q. Did you not give that as a reason why you could not have said to the stevedore, “Can’t you knock off on the coal and discharge some goods?”—A. I think I did; yes, sir.

Q. Now you say you might have said that to the stevedore, because sometimes the carts were not ready to take away the coal?—A. Yes, sir; I say so.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

A. DE L. ROGERS recalled.

By Mr. STEWART:

Question. You heard what the last witness said in regard to the city weigher. Did you have any difficulty with the city weigher in regard to coal being sent to another place?—Answer. I did.

Q. You did?—A. Yes, sir. It was not pertinent at all to this trouble. I did have trouble.

Q. You did have trouble with him?—A. Yes, sir.

Q. What was the trouble? Just state it, if you please, shortly.—A. It was a private matter between this weigher and myself, and my property—the property of the firm. It had nothing to do with the ship whatever, and we settled it privately. There would be no point gained by it. It would only be made public, and it would certainly hurt the weigher, and no one else.

By Mr. PRATT:

Q. Did you state how much coal you had delivered at your yard from the Princeton?—A. Yes, sir.

Q. How much?—A. We had, lacking 30 tons net that I had delivered directly from Mr. Skidmore's yard through this weigher of ours on tickets, about 126½ tons. It went a little short of our weigher's weight, according to our calculation, part of it going into the yard and part of it going out to orders.

Q. That was according to the city weigher's weights?—A. Yes, sir.

By Mr. HOWE:

Q. Mr. Rogers, on how much did you pay duties at the custom-house?—A. One hundred and twenty-six tons.

Q. You paid duties on 126 tons?—A. Yes, sir; that's the face of our bill of lading.

Q. Have you settled that balance?—A. No, sir; I have not.

Q. Have you been called on for that balance?—A. Yes, sir.

Q. When?—A. I was notified about—I can't say exactly. I don't know but what I have the notice. [Referring to memorandum.] The first notice was January 22. I have not received another notice since this; but in the drawback office, or in some office of the custom-house, Mr. Briggs, who was the agent of the importers, the parties through whom we get cannell, said that they spoke to him about it, so that that was just as much as another notice. I intend to pay this, however.

Q. That came to you on the 22d of January?—A. Yes, sir.

Q. Did you say you had it noticed by Mr. Briggs before that?—A. No, sir; afterward. He said they spoke to him about it.

Q. Have you been to the custom-house to settle that?—A. No, sir.

By Mr. BAYARD:

Q. Certain affidavits have been filed here from Skidmore and others, who are the large coal-dealers in this description of coal.—A. Yes, sir.

Q. I will ask you whether there is not, by the persons who sell you the coal, or their agents here, a regular allowance made for short weight of the coal upon the bill of lading—the invoice?—A. Yes, sir; they allow us 2½ per cent.

Q. Now, I understand that in both your case and Mr. Skidmore's that the coal was made to run over 6 and 7 per cent.—Benedict's, I mean.—A. Yes, sir; mine over 7 and his over 6.

Q. Isn't that contrary to all your former experience?—A. All of it; yes, sir.

By Mr. STEWART:

Q. I don't want to inquire into that private matter, but I wish to ask of you here the amount which was returned in this certificate by Mr. Fox. There was a difficulty about some coal; do you know whether that coal that you had trouble about was counted in this return or not?—A. That's why I say it had nothing to do with the ship or this case, because we paid for that matter, if it was any coal. It is included in that.

Q. It was taken out after weighing, and not before?—A. Not before; I know that.

Q. You know it was taken out after the weighing, and not before?—A. Yes, sir.

Q. Have you ever had your coal weighed by any person except—A. It was weighed at our own yard.

Q. Afterwards?—A. Yes, sir; the same days that we were unloading in this way. There are certain carmen who are regular carmen that we send out with orders from Skidmore's yard, on the east side. Other carts went directly to our yard and weighed it as they went over the scale, and the footings of these and Fox's weighed—figured up the—

Q. Did the figures that you made at your yard and the returns of Fox agree?—A. Yes, sir; within a few hundred pounds. They were short a little.

Q. Short a few hundred pounds?—A. Short of his weight; yes, sir.

Q. You made it less than Fox made it—a few hundred pounds?—A. Yes, sir.

Q. Then the whole of the coal in this return was counted?—A. Yes, sir; all the coal was counted.

By Mr. HOWE:

Q. There is no delicacy or indelicacy in your stating how much coal was in dispute between you and the weigher, is there?—A. No, sir. Simply one load.

Q. Of about what weight?—A. It weighed 2,135, I think it was put down. I got the number of the cart, the load, and everything about it. I wouldn't swear that that was the weight, however. It was 2,100 and something.

Q. Have you any objection to telling how you know that that coal was taken from the quantity that was weighed and returned to you by the city weigher?—A. You ask me if I have any objection. I'd rather not tell of it, but, at the same time, I can state that.

Q. You understand the question; have you any objection to telling how you know that that load was taken from the coal?—A. How I first found it out?

Q. No, no; you have stated that the weight of this coal that was in dispute between

you and the city weigher was included in the 126 tons.—A. I missed the cart, as it was registered on his book, and I followed it up until I found it; so it must have been on his book, included in these weights, if that's the point you want.

By Mr. STEWART:

Q. Did the same city weigher weigh both yours and the New Haven party's coal?—A. No, sir; different parties.

By Mr. HOWE:

Q. Have you made any reports at the custom-house of these facts?—A. Mr. Briggs, of the firm of Briggs & Co., made one to the deputy surveyor, Benedict, on our behalf, and Mr. Benedict of New Haven affair.

Q. Do you know when he made that report?—A. I couldn't say exactly; two weeks ago—perhaps three. It was about the time of this notice of the 22d of January.

Q. Before or after that?—A. Just after. It must have been just after, because I saw him just after I got my notice.

By Mr. CASSERLY:

Q. The allowance of $2\frac{1}{2}$ per cent. on the whole cargo of 126 tons would be over 3 tons, would it not?—A. Yes, sir; it would figure that.

Q. And yet the custom-house weigher has made the cargo short about 8 tons, has he not?—A. No, sir; he has made it over.

Q. He has made your invoice weight of 126 tons at about 8 tons less than the actual weight. In other words, his returns have made the weight of that cargo 8 tons more than your invoice called for?—A. Yes, sir.

Q. Although, as I understand you to say, the custom of the trade is to allow $2\frac{1}{2}$ per cent.?—A. To bring it up to the standard weight.

Q. Two and a half per cent. upon invoices of coal similar to that in that case. And that rule is scarcely ever departed from; is that correct?—A. Yes, sir; it is a custom of the ships.

The following communication from the secretary of the New York Chamber of Commerce was read by the clerk:

“CHAMBER OF COMMERCE OF THE STATE OF NEW YORK,
 (“Instituted A. D. 1768,)”

“New York, February 2, 1872.

“SIR: At a meeting of the chamber of commerce held yesterday the following resolution was unanimously adopted:

“Resolved, That a committee of seven members be appointed by the president of the chamber for the purpose of aiding in their investigation the committee of the Senate of the United States, now sitting in this city, with power to appoint a sub-committee of their own number.

“Under this resolution the president appointed the following-named gentlemen to compose the committee: Messrs. Frederick A. Conkling, William H. Fogg, Josiah O. Low, L. P. Morton, Charles H. Marshall, and Samuel D. Babcock.

“Your obedient servant,

“GEORGE WILSON,
 “Secretary.

“Hon. WILLIAM A. BUCKINGHAM,

“Chairman of the Investigating Committee of the U. S. Senate.”

FIFTH AVENUE HOTEL, NEW YORK, February 3, 1872.

AUGUSTUS BACON sworn and examined.

By Mr. STEWART:

Question. Are you a weigher?—Answer. Yes, sir.

Q. How long?—A. Two years last October.

Q. Have you ever weighed any cannel coal?—A. Yes, sir.

Q. How much?—A. I have discharged, I guess, forty vessels of it.

Q. Can you tell how that coal runs in weight, as compared—actual weight—as compared with the invoice weights?—A. It, as a general thing, overruns from 2 to 20 and 30 and 40 tons on a cargo.

By Mr. BAYARD:

Q. How many tons are a cargo?—A. I have seen it, on a 600-ton cargo, overrun 51 tons actual weight, Fairbanks's scales.

Q. On how many tons?—A. Six hundred tons.

Q. How much overrun?—A. Fifty-one tons actual weight over, Fairbanks's scales, every pound of it being weighed.

Q. Where was that, sir?—A. I don't remember where it was, sir, now.

Q. You don't know what kind of coal it was?—A. It was foreign coal of some denomination.

Q. Do you know whether it came from Pictou?—A. I don't recollect where it came from.

By Mr. STEWART:

Q. Are you a Government or city weigher?—A. I am employed by the custom-house.

Q. You are a custom-house weigher?—A. Yes, sir.

By Mr. HOWE:

Q. You say you do not know where that coal was from? Do you speak in reference to a particular cargo of coal, or do you speak of all the cargoes that you ever weighed?—A. In reference to cannel coal.

Q. And to all the cargoes?—A. yes, sir.

Q. You have weighed some thirty or forty, I understand you to say?—A. Yes, sir.

Q. Have you ever weighed a cargo that was short; the actual weight of which was short of the invoice weight?—A. Not more than one or two tons.

Q. But you have found such cases?—A. Yes, sir.

By Mr. CASSERLY:

Q. You have described yourself as a custom-house weigher?—A. Yes, sir; an assistant of a custom-house weigher.

Q. You know that's a very different thing.

[The testimony of the witness heretofore given was read to him at the request of Mr. Casserly, as follows: "Q. You are a custom-house weigher?—A. Yes, sir."]

The WITNESS. Not as a weigher, but an assistant.

Q. Why did you make that mistake?—A. I understood that it was generally understood that I was not a sworn weigher—custom-house weigher.

Q. What's that?—A. I thought it was understood that I was not a sworn custom-house weigher.

Q. Why did you think that was understood?—A. I couldn't say, sir.

Q. Have you ever seen any of the gentlemen at this table before?—A. Yes, sir.

Q. Which one?—A. All together here, yesterday.

Q. Did they ever see you before?—A. Not to my knowledge.

Q. Then why did you suppose that anybody at this table understood that you were not what you described yourself to be, under oath?—A. I did not describe myself as a weigher, but as an assistant.

Q. You said you were a custom-house weigher.—A. I said I was employed by the custom-house.

Q. What brought you here?—A. Sir?

Q. What brought you here? How did you happen to be here to-day to testify for Mr. Cloyes?—A. I never saw Mr. Cloyes before; I didn't come here to testify for Mr. Cloyes.

Q. You never saw him before?—A. No, sir.

Q. In whose employment have you been while you were weighing these forty cargoes?—A. Mr. Phelps, Mr. Bradley, Mr. Blauvelt, Mr. Bacon, three or four different weighers.

Q. How many weighers in all have you been with in the two years?—A. Five.

Q. You have changed about a good deal, I should say?—A. No, sir; I staid in the same place, in the same district, from the time I went into the weigher's department, up to the present day.

Q. It was the weigher that has changed?—A. Yes, sir.

Q. You say that you weighed the cargoes of forty vessels in two years, all bringing cannel coal to this market?—A. Yes, sir.

Q. Will you name one of them that you weighed that brought cannel coal?—A. Yes, sir; the bark Spanker.

Q. Where was she from?—A. Glasgow.

Q. How did she rate? What was she, a square-rigged vessel?—A. She was a bark.

Q. What was her cargo?—A. A general cargo and coal.

Q. How much coal?—A. She called for 163 tons, I think; and it turned out 190 odd.

Q. When was that?—A. That was about one year ago; I couldn't tell exactly.

Q. Now, you remember exactly what number of tons she had, and how it came out, to the letter; why is it you can't remember when she was here?—A. Because I never thought that I should be called on to testify to anything of the kind.

Q. Who were the agents of that ship? Where did she lie?—A. At the foot of Fourteenth street, foot of Tenth street, and Seventh and Ninth streets.

Q. That same ship?—A. Yes, sir; she changed about.

Q. While you were weighing this coal?—A. While the coal was discharging; yes, sir.

Q. You have not yet stated whether you knew the agents?—A. I disremember the agents.

Q. Do you know what number of vessels come to this port in a year with cannel coal?—A. I do not, sir.

Q. Were you on the North River or East River district?—A. The East River district.

Q. Were there many coal-vessels in the same district or in other districts in that neighborhood during the time you speak of?—A. No, sir.

Q. Do you suppose that you weighed the cargoes of most of the vessels in that neighborhood in that time?—A. Yes, sir.

Q. Who took the weights of those vessels?—A. Different persons.

Q. You didn't?—A. I was there when it was weighed, or alongside.

Q. Who took the weights? You understand my question?—A. The gas-house weighed for one and the United States for the other.

Q. You didn't take the weight?—A. It was taken on the books; yes, sir.

Q. Did you take the weights?—A. I took some of the weights.

Q. How did you rate, as a laborer?—A. Yes, sir.

Q. In how many cases did you take the weights?—A. I could not state. Sometimes I would take the weights, and sometimes tally.

Q. Who foots up the weights?—A. The clerk of the office.

Q. You are not the clerk?—A. No, sir.

Q. Had you anything to do with footing them up?—A. No, sir.

Q. How do you know then that they came out as you have described them?—A. Because I have seen the other parties footing them up, and saw their footing.

Q. Won't you tell me how you mean? Repeat that answer, and then explain what you mean?—A. I have heard the clerk say that he overrun so much, and so much.

Q. Where did the clerk say that?—A. In the office.

Q. What business had you in the office?—A. Turning in my book.

Q. What book?—A. The book that I took these tallies or weights on, whatever it is.

Q. Where do you say those returns were footed up?—A. In the office.

Q. What office?—A. The weigher's office.

Q. On the wharf?—A. No, sir; in the weigher's office, in Grand street.

Q. Do you say that you have seen them footed there?—A. Yes, sir; I have seen them footed up too.

Q. No, no; always. You understand what I'm asking you perfectly well?—A. No, sir.

Q. What place were you speaking of before I asked you that question?—A. The office.

Q. Yes; then I asked you if you understood that the weights were footed up there?—A. Yes; they're footed up there.

Q. Always?—A. Sometimes at the gas-house office.

Q. Do you not know that these weights are always made up at the custom-house?—A. No, sir; they are never made up at the custom-house.

Q. That's all you know about it, is it?—A. That's all I know about it.

By Mr. PRATT:

Q. Who are you weighing for now?—A. George B. Bacon.

Q. Is he a custom-house weigher?—A. He is the United States weigher.

FIFTH AVENUE HOTEL, NEW YORK, *February 3, 1872.*

B. G. JAYNE sworn and examined.

By the CHAIRMAN:

Question. What is your employment?—Answer. I am special agent of the Treasury Department.

Q. How long have you been in that employment?—A. I was appointed on the 9th day of April, 1869, but reported for duty on the 3d day of June, 1869.

Q. What are your duties in that position?—A. My duty is to ascertain any irregularity with regard to the entry or passage of merchandise, to ascertain any fraud or system of fraud that may be practiced upon the Government, and to rectify it.

Q. Do you make seizures?—A. I am authorized to by law, but on account of a physical defect I have never done so in person.

Q. Have you made any seizure of papers or books of merchants, or been connected

with parties when those seizures have been made?—A. I, as special agent, have obtained the evidence upon which to found a warrant, complaint, or affidavit, and have presented those and obtained warrants which have been served by the United States marshal.

Q. Have you been with the parties—in your presence?—A. I have generally gone with the United States marshal to identify books and papers, if necessary.

Q. Do you know anything about a seizure of papers belonging to Mr. Redmon?—A. No, sir, I had nothing to do—

Q. Do you know anything about the seizure of papers belonging to Naylor & Co.?—A. No, sir; I had nothing to do with that. That was done, as I understand, by Colonel Howe and his assistants.

Q. Are you connected with Colonel Howe?—A. Not at all, sir.

Q. Did you furnish any of the evidence upon which any of those seizures were made, either Mr. Redmon or Messrs. Naylor & Co.?—A. I did not, sir.

Q. Will you state any evidence that you have furnished to any parties where such seizures have been made?—A. Do you wish me to state in detail what I have done?

Q. You may give a statement in regard to the general course which you pursued in the performance of what you regarded as your duty.—A. Well, I could give you an outline of the work I have done.

Q. That we would like to have.—A. I reported for duty at the New York custom-house on the 3d day of June, 1869. On the 5th day of June my attention was called—it was very generally rumored, and I have forgotten the precise point where I first heard it—that weighers were in the habit of making false pay-rolls of the labor performed by laborers upon their district. At that time the weigher kept the account of the labor, made out his pay-roll, and presented it each week, and swore to it that it was accurate and just; drew the amount of money that roll would call for, and made the disbursements himself to the laborers. I made an examination as rapidly as possible into what was rumored as a fraud upon the revenue, and I discovered that it had a basis; in fact, that United States weighers were making false rolls of the laborers.

By Mr. BAYARD:

Q. Give their names.—A. Anson A. Doolittle, a son of Senator Doolittle, of Wisconsin; another was A. W. Van Winkle.

By the CHAIRMAN:

Q. Any others?—A. Percy B. Spear, Thomas W. Egan. I believe those were all that were arrested.

By Mr. BAYARD:

Q. All that were arrested?—A. All who were arrested.

Q. Go on and state all you discovered to be connected with that. You may just as well go on with the same subject. I will ask you whether there was a Mr. Carr?—A. Yes, sir.

Q. Why didn't you give his name, sir?—A. I intended to do so. There was also Henry A. Smalley; but Mr. Carr and Henry A. Smalley were not arrested. Warrants were issued for them.

Q. Give Mr. Carr's name?—A. Edgar M.

By Mr. PRATT:

Q. I understood you to say that the four first that you named were arrested?—A. They were arrested.

Q. And these last names were not arrested?—A. Yes, sir. The first examination was of Mr. Doolittle before a United States commissioner. Mr. Doolittle was discharged by the commissioner upon the ground that I had not proven that Mr. Doolittle intended, when he actually committed the fraud, to commit fraud, and I proved that names were borne upon his roll of men as laborers almost every week, for two years, who had never been employed upon his district, had never done one hour's work; yet he had returned them as doing a specified number of hours' work, amounting to a specified sum, which he swore as accurate and just; and I proved by those witnesses upon the examination that they had done no labor upon his district; had never been employed by him; were not aware that their names were upon the pay-rolls, and that they had never signed any pay-roll.

By Mr. PRATT:

Q. Who was the commissioner who discharged?—A. Kenneth G. White.

Q. What year was Doolittle a weigher in the custom-house?—A. He was discharged about that time—1869.

Q. What time in 1869 was he discharged?—A. I am not positive whether he had been discharged prior to his arrest, or whether he was discharged immediately upon his arrest.

Q. How long did I understand you to say he had been in the custom-house service?—

A. I am not certain, sir. I think he had been appointed some time in 1866; about 1866 or 1867. It was about two years that he had been in.

Q. What did I understand you to say was the ground upon which the commissioner discharged Mr. Doolittle, notwithstanding this proof you have detailed as having been given?—A. The United States statute under which he was arrested says that if any person shall present to the United States any fraudulent paper or document with intent to defraud the United States, (the word intent was in the statute,) and the commissioner discharged him upon the ground that I had not proven the intent.

Q. Had not proven the intent to defraud the Government, although these men's names were borne on the roll to which he swore, and who had never actually performed the service?—A. Yes, sir.

By Mr. BAYARD:

Q. This whole proceeding was published at the time?—A. Yes, sir; it was published.

Q. And the whole of the evidence given out?—A. I think the evidence was not reported in full in all cases.

Q. The case was a very notorious one at the time in the New York papers?—A. The case of Doolittle; yes, sir.

Q. About the evidence generally?—A. Yes, sir; a portion of it. I don't know that there was any verbatim report. I don't know about that. Mr. Van Winkle's examination was postponed from time to time, I think, my recollection is, on account of ill health, upon the motion of the defense for some time, and the next examinations were those of Egan and Spear, and also the foreman of Mr. Egan, who was Frank Webb.

By Mr. PRATT:

Q. He was arrested, was he?—A. Yes, sir. Mr. Spear was discharged by the United States commissioner; Egan and Webb were held by the United States commissioner, and indictments obtained against them, which indictments are now pending, I understand.

Q. What was done with Van Winkle? Was he discharged or held?—A. There was no examination had. Judge Pierpoint was then United States attorney, and had entire control of the matter; but previous to the examination of Mr. Van Winkle I had discovered that the United States weighers—these same men—had been engaged in returning false weight of merchandise to importers, by which the Government lost, in many cases, a large percentage of the duties.

By Mr. BAYARD:

Q. The same parties?—A. The same parties who had made false pay-rolls.

By the CHAIRMAN:

Q. Will you state a few of the parties?—A. It was for a great many importers; a great many different ones.

By Mr. BAYARD:

Q. False returns of what?—A. I will arrive at that in regular order. I had discovered the fact of these short weights. I then applied for an order—applied to the collector for authority to go and seize all of the original dock-books in the offices of all the weighers and gaugers in the port of New York; to seize all the memoranda of weights or anything by which light could be thrown upon their transactions in this direction.

By the CHAIRMAN:

Q. Did you get that authority?—A. I got that authority, and seized the dock-books of every weigher; that is, I got a large portion of—some of them had carried off and destroyed or disposed of the dock-books in their offices; a great many. It was deemed essential by the United States attorney that evidence of the transaction, which had been collusion between the weighers and the importers, should be obtained; that direct proof should be got; and owing, also, to the fact of the failure to hold, except in one case, a weigher upon this charge, and having no such direct proof against any other as we had had in that case, or such as seemed to justify the belief that others could be held, the district attorney discontinued the prosecution against Mr. Van Winkle, on the ground that he should tell all of the transactions to which he had been a party.

By Mr. CASSERLY:

Q. You mean on the ground of his turning State's evidence?—A. On the ground of his turning State's evidence; yes, sir. The two weighers, against whom warrants had been issued, who were not arrested—

By Mr. STEWART:

Q. Carr and Smalley, was that?—A. Yes, sir; Carr and Smalley. One was in Europe.

Q. Which one?—A. Smalley. The other was in Canada. Mr. Smalley came back voluntarily, and he satisfied the United States attorney that although these transactions had occurred upon his district, yet that he had not been a party to them, and had no personal knowledge, which I believe to be the case; and he put the authorities in the way of ascertaining whatever might have occurred upon his district. I think he did it in good faith. Mr. Carr was in Canada. The United States attorney, I think, gave him—that was my understanding at the time—gave Mr. Carr assurances that if he would come back, that if his statements were sufficient to justify that course, he would accept his evidence; he would permit him to turn State's evidence if he would come back and state the full facts. If not, he would permit him to return to the spot whence he came. I think the conditions were fixed by Mr. Carr himself, the charge being such as did not come under the extradition treaty. We had no means of reaching him while in Canada. Mr. Carr came back under that understanding, as I suppose, with the United States attorney, who did accept his statements and sent him to me to procure the details. Meantime, I had gathered together the dock-books of different weighers, and compared them with the papers on file in the custom-house, to ascertain, as far as possible, where allowance had been made to importers from the original and true weight of the goods. Evidence obtained in that way, documentary and otherwise, formed the basis of quite a large number of suits that were brought.

By Mr. PRATT:

Q. In that comparison you assumed that the dock-entries were true?—A. That the original book was; but in many cases we were obliged to identify the figures that had been made in the original book, and find the person who had made them, and who had been one party to the transaction, and thus prove the original weight. Those identifications, however, were made through the persons who turned State's evidence, who could state who had been employed upon the different vessels.

By Mr. BAYARD:

Q. That is, Van Winkle, Smalley, and Carr?

By Mr. CASSERLY:

Q. You mean the witnesses were obtained as State's evidence?—A. Yes, sir; were obtained by their saying who had made the figures in the original books. In the case of Mr. Carr, his dock-books had been taken from his office and destroyed, with the exception of a very few, and it became necessary to obtain other evidence than their contents in the dock-books. This system of collusion—for it amounted to a system—was very extensive, a great many importing houses having obtained false weights in this way.

By Mr. BAYARD:

Q. Collusion between whom? just state.—A. Collusion between the importer and the employés of the Government. Sometimes the collusion would be with the weigher himself; sometimes with some employé of the weigher, to which the weigher would be a party, and back out of the—not directly engage in the transaction. That is one system of fraud.

By the CHAIRMAN:

Q. How many instances did you ascertain, or have you ascertained, of this complicity between the importers and the weighers?—A. Of those that had been—of which seizures of the books and papers have been made, I think there are thirty-two different firms.

By Mr. BAYARD:

Q. By you?—A. Yes, sir. Pardon me; I have overstated that, because a number of the cases were not from that cause; were not traced in that way. I have overstated the number.

By the CHAIRMAN:

Q. How many?—A. Well, I couldn't tell exactly, without—

Q. Well, I won't interrupt you with regard to that.

Mr. BAYARD. He has made thirty-two seizures of books and papers in all, I suppose?

The WITNESS. Well, I have made seizures of the books and papers of thirty-two different firms. Where the charge has been false weights, or a false liquidation of the entry, which, in essence, is false weight, although collusion in that case would be inside of the custom-house, instead of outside, on the weigher's district. There have been some cases of that kind, and some where both have taken place with the same firm.

By Mr. STEWART:

Q. The thirty-two cases all relate to a difficulty about the weights; false weights?

—A. Yes, sir. In one of those cases the books and papers were seized, both in New York and Boston, the house having places of business in both cities.

By Mr. HOWE:

Q. Do you mean to be understood that thirty-two firms are all whose books and papers you have seized?—A. Thirty-three; one here and in Boston. But one case where I have made a seizure of books and papers did not relate to weight; was of the goods not paying duty by weight.

By Mr. BAYARD:

Q. That is beyond that?—A. Yes, sir; that is beyond that.

Q. Just divide them into seizures you have made for false weight and for other causes?—A. I have stated the full number of thirty-three different houses whose books and papers I have seized.

By Mr. HOWE:

Q. Then there was one other?—A. There was one of the thirty-two that was good, not paying duty by weight. In that case it was by collusion in the appraiser's department in obtaining a false verification of the goods with the case, the fraud consisting in having a larger quantity of goods in the case than the invoice showed. In all these cases suits have been brought in the United States courts, with the exception of two.

Q. Suits have been brought in thirty-one cases, do you say?—A. Have been brought in all cases except two; yes, sir. In one case, the first case in which suit was not brought, the collusion had taken place and the false weight had been returned, but the importer who imported the goods had sold the goods to arrive, and the collusion had occurred between his broker, or persons acting in the interest of the purchaser of the goods and the weigher.

By Mr. BAYARD:

Q. And what?—A. And the weigher, so that, although the entry made was a false one, yet he signed it in ignorance of the fact, and received no benefit from the fraud which was actually committed.

Q. He was injured by it, was he not?—A. What?

Q. By the short weight?—A. He was not injured, because he sold the goods short price. He sold the goods in bond, but the purchaser received the benefit, while the Government lost the difference in duty.

By the CHAIRMAN:

Q. How about the other case?—A. The other case is the one of Messrs. Hineman & Payson. The facts in that case were the importation of two invoices of wool—one by the Hans George, in March, 1869, and the other by the Der Adler, in April, 1869; they arrived within two or three days of the same time. The invoice weight of the Hans George was 456,779 pounds. That of the Der Adler was 188,056 pounds. Upon the import or consumption entry which was made the weight was stated the same as in the invoice. The United States weigher returned upon the Hans George 422,187 pounds. Their books showed that they sold 455,082 pounds, making a difference between the United States weigher's returns and their sales of 32,895 pounds. I received information and evidence that this wool came upon the district, and that an agreement was entered into by an employé of weigher Doolittle, who was the weigher of that district, by which the United States weigher was not to weigh the goods, but was to make return to the custom-house by such memoranda as should be furnished by the city weigher in the employ of Hineman & Payson.

By Mr. BAYARD:

Q. Whose arrangement was that?—A. My information was that it was made with Mr. Doolittle indirectly.

Q. He was on one side—who was on the other?—A. The city weigher in the employ of Hineman & Payson. I found, when seizing the books in the office that was occupied by Mr. Doolittle as a United States weigher, a memorandum in the handwriting of the weigher employed by Messrs. Hineman & Payson. The United States weigher's return made to the custom-house was an exact copy of that memorandum. The city weigher who weighed the goods for Messrs. Hineman & Payson dated his return April 1 and April 1 to 8. The United States weigher made his return to the custom-house, I think, on the 22d of April, or some two weeks after Messrs. Hineman & Payson were in possession of the true weights of the wool, made by their city weigher. Upon examination of their books, like most importers, they have what is termed an entry-liquidation book; a copy of the warehouse or consumption entry—an entry made at the custom-house—is written out on one page, while on the opposite page is the liquidation or the final ascertainment of duty, with the weight upon which that duty is ascertained. In their books the page containing the copy of the entry was there, while the other leaf was torn out, and the only leaf gone from the book.

By Mr. HOWE:

Q. You have stated what the entry was liquidated at, have you?—A. Yes, sir. It was first liquidated at 422,000 pounds—422,187.

Q. You state that as the weight returned?—A. Yes, sir; that weight was returned by the United States weigher.

Mr. CASSERLY. The entry weight was the same as the invoice, while the weight returned by the United States weigher was the weight at which it had been liquidated.

By Mr. BAYARD:

Q. Which was much less?—A. Yes, sir. It was liquidated at that weight. I had evidence that the United States weigher knew nothing of the weight of the wool except what he had obtained from the city weigher, and that the city weigher paid the United States weigher, through an employé of his, for the privilege of doing the labor and making the returns by furnishing the memorandum in that way, the sum of \$75.

By Mr. PRATT:

Q. For doing the United States weigher's work?—A. For the privilege of doing the United States weigher's work.

Q. How much?—A. Seventy-five dollars. It appears that, after the liquidation of this entry upon this original weight, Mr. Clark, the deputy collector of the ninth division, had his attention called to the great discrepancy between the weigher's return and liquidation and the invoice weight.

Q. That you state was 32,895 pounds?—A. Yes, sir. There was an order issued by Mr. Grinnell to have the entry reliquidated upon a return furnished by Heineman & Payson. The law says that after the payment of duty, when an entry has been liquidated, that liquidation shall be final as against the Government and as against the importer, and shall not be opened, except upon certification by the collector—and naval officer at the port, where there is a naval officer—that a manifest clerical error has taken place, when the Secretary of the Treasury is authorized to order a reopening of the entry for a new liquidation. I knew nothing at the time of this seizure of the details of this conversation or transaction that had taken place between Mr. Grinnell and Messrs. Heineman & Payson. He never had informed me of it. I received a letter authorizing the seizure in the regular way, without knowledge of the fact; and without impugning the motives of the then collector, his act was in direct violation of the law in authorizing a reopening of the liquidation.

By Mr. HOWE:

Q. Let me understand you. Were Mr. Grinnell's instructions to have that reliquidated, if that is your expression, upon a return then made or to be made?—A. A return furnished by Heineman & Payson, which was furnished at the time the order was made, I suppose.

By Mr. BAYARD:

Q. That is, the order for opening?—A. Yes, sir.

By Mr. PRATT:

Q. Was that return which they made 455,082 pounds?—A. The city weigher's return, which they brought, was 449,620 pounds gross.

By Mr. BAYARD:

Q. What did that reduce the short weight to?—A. It reduced the short weight on that importation to 13,863.

Q. How many?—A. Thirteen thousand eight hundred and sixty-three pounds.

By Mr. HOWE:

Q. Do you say 49 or 39?—A. I say 449,620; but the liquidating clerk, without any warrant in law or precedent, went on and reliquidated the entry, and allowed 13 pounds tare, whereas, in all cases where actual tare is not ascertained by the United States weigher, the customary tare must be taken, which would have been 10 pounds.

By Mr. CASSERLY:

Q. Is that 10 pounds to the hundred?—A. Ten pounds to the bale.

By Mr. BAYARD:

Q. How many bales were in this invoice?—A. I can't tell you now. I worked for some time to find a solution of the figures they arrived at, and I found that to arrive at the figures they had made—

Q. You don't know how many bales there were?—A. I do not, now.

By Mr. CASSERLY:

Q. You must have known then?—A. I knew then, of course; I had it all before me. The difference in duty by the first liquidation upon that importation was \$1,631.26 gold.

Q. That is the first liquidation?—A. Yes, sir.

By Mr. BAYARD:

Q. That was made without the aid of Heineman's return?—A. Yes, sir.

Q. Repeat those figures.—A. One thousand six hundred and thirty-one dollars and twenty-six cents gold.

Q. And the second?—A. The second liquidation I will tell you in one moment. [Calculating.] I know the difference on the two; \$833.48 yet remains due.

Q. Do you mean to say that was the second liquidation?—A. That was the second liquidation. That much duty still remains due the Government, taking their own account of the wool, which was the only one we could get at that time. Upon the Der Adler the United States weigher returned 182,515 pounds upon a memorandum furnished in the same way.

By Mr. CASSERLY:

Q. United States weight?—A. Yes, sir. Their city weigher returned to them 188,076 pounds.

By Mr. BAYARD:

Q. What is the difference there?—A. The difference is 6,007 pounds.

Mr. CASSERLY. Not if your figures are correct.

By Mr. PRATT:

Q. Do you mean the city weigher's return was greater than the United States weigher's?—A. Certainly; they sold 188,522 pounds.

By Mr. CASSERLY:

Q. It was something over the city weight?—A. It was over their city weigher's weight.

By Mr. BAYARD:

Q. What did you say was the amount of the difference?—A. Six thousand and seven pounds between what they sold and what they paid duty on. That entry was never reopened. The difference in duty remaining due the Government on that is \$322.70, making a due, in all, of \$1,146.18.

By Mr. PRATT:

Q. On that cargo of wool?—A. On two invoices; they are by different ships.

Q. O, yes; two different vessels?—A. Yes, sir. Upon presenting this case to the United States attorney, Judge Davis, who, by the way, came to the custom-house and looked over all the papers and evidence with me carefully, he stated as his opinion that there was no doubt of the fraud or the loss to the Government, and the only question was whether, assuming that Heineman & Payson would go upon the stand and swear that all this had occurred without their knowledge, and if this had taken place between their weigher, it was unauthorized by them; that the probability of recovery was not such, in his judgment, as to justify the bringing of a suit, provided they would pay the duties yet due the Government, \$1,146.48.

By the CHAIRMAN:

Q. Did they pay that?—A. They have not; they offered to pay it, provided I would write a letter and sign it, saying I believed there had been no intention of fraud on their part, which I would not have done—which I refused to do, and would not if they had paid me a million.

By Mr. BAYARD:

Q. Was that after or before the seizure?—A. After the seizure; we never have any talk with an importer with regard to a fraud previous to the seizure of his books and papers.

By Mr. PRATT:

Q. Why is this difference not sued for—upward of \$300 in one case and upward of \$800 in the other?—A. You ask me a question that I cannot answer.

By Mr. BAYARD:

Q. Which of those invoices of wool was imported by them on commission under order, and for which they paid over to the vendors just the amount they received from the vendees?—A. I don't know that either; they so claimed, I take it, with regard to both of them; and when it was shown from their books that a part of each invoice at least had been sold by actual weight, and charged, the number of pounds being

weighed out to purchasers, I think they said nothing more about that point; they claimed that in the start.

Q. Is it not a fact—I don't say how much, but I ask you whether the greater part of this wool was not imported by these gentlemen on the order of citizens of the United States, and that Heineman & Payson received and remitted just what the persons who ordered it paid them?—A. I cannot vouch for that statement; they never brought evidence to my attention that satisfied me entirely with regard to that fact; they so stated.

Q. This matter was in Mr. Davis's hands?—A. Yes, sir.

Q. I understand you have been unable to account to this committee for the fact that there has been no suit brought for the balance of these duties?—A. Yes.

Q. And at the same time you have no knowledge of the fact that these parties have made the claim all along that they imported this wool upon commission, and therefore could not have had a personal advantage to be derived from this change of weights?—

A. I will answer your question. I don't your conclusion, admitting your premises.

Q. I ask for your answer, and not what you see.—A. My answer is that it might be for the interest of an importer to get short weights, even though he paid over the difference to the person ordering the goods.

Q. I want you to answer my question just exactly as I put it. You have no knowledge of the fact that these parties have made the claim all along that they imported this wool upon commission, and therefore could have had no personal advantage to be derived from this change of weights?—A. I don't know that they have made such a claim all along.

Q. Do you know they have made such a claim at all?—A. I know they did make such a claim in the start.

Q. Do you know that the district attorney has been informed of that claim?—A. I think I informed him of it.

Q. You say that after your examination of the books and papers of that firm you cannot state whether any portion of wool was imported on commission or not?—

A. I cannot now from any fact within my recollection. It is my belief that this wool was contracted—I don't know the terms of that contract—and that a portion of it was delivered in that way.

Q. What do you mean by contracted; bought on commission?—A. Bought on commission.

Q. That they had no interest in the cost of the wool beyond their commission?—A. I don't know what interest they had. If the Senator will permit me, I will give him one point in regard to all cases of this kind, and I think he will see the pertinence of it: that it may be, and frequently is, to the interest of a commission house, even though they pay over the difference in duty to the person buying the goods, to get short weight, for it reduces the price of the wool and would thus give them the trade instead of their competitors.

Q. And do you believe it would be an inducement to a house of ordinary repute in New York to defraud the Government in short weights upon wool, merely for the purpose of increasing their trade, without making any profit by it other than that?—A. I do believe it.

Q. It is upon the basis of that that you proceeded as a special agent—in such a belief as that—to make examination and seizures?—A. No, sir; not at all; it is very different. I have never proceeded to make a seizure unless I had evidence that fraud had been committed—that the Government had been defrauded of a portion of its duty.

By Mr. CASSERLY:

Q. Do you mean to say that that belief does not influence your action?—A. I know of no case where it ever has, for I have never known, before making a seizure, whether goods are bought upon commission or not. That question does not come up until after the seizure has been made.

Q. Do you mean to say that that does not influence your action at some stage of the seizure?—A. If I am satisfied that he had no interest in committing a fraud, I would hold him guiltless, unless there was very positive evidence that he had committed it.

Q. That is not an answer to my question, which is: Do you mean to say that, upon such a belief as yours, that you have just described, as to the motives of a commission merchant, you do not act at some stage in a case of seizure?—A. I don't think that I can give you a direct answer to that question. That might enter into a case. I can see how it might.

By Mr. BAYARD:

Q. I understand you to say that you consider that there would be a sufficient motive for a commission merchant to defraud the revenue in the mere fact that he could get more business in that way, although he made no profit by the actual commission of

the fraud?—A. I think that that would—excuse me; your question is not one that a man can give a direct answer to.

Q. I understand you to say that you consider that there would be a sufficient motive for a commission merchant to defraud the revenue in the mere fact that he could get more business in that way, although he made no profit by the actual commission of the fraud?—A. Direct your question and I will answer it.

Q. I will put my question in my own way, and you will answer it if the committee direct.—A. I think that the fact that a man can get more business would induce him—

Mr. HOWE. You do not understand the question. The question calls upon you to say whether you did say, or whether Mr. Bayard understood you to say, that it would be a sufficient motive for the merchant to defraud the Government if he could increase his business, although he did not share in the direct profits of the fraud?—A. I think that would be sufficient, and that he would thus receive a benefit.

By Mr. BAYARD :

Q. Do I understand you, then, in a case you had investigated, and where it appeared to you the merchant was simply executing an order upon commission—buying the wool on order in South America or elsewhere, importing it into New York, and handing it over to the person ordering the goods, rendering him a bill for the total cost of the wool, in its place of purchase, the duty and freight added, and his commission—that you consider that if short weights were found in any way you would find in the merchant's desire to increase his trade sufficient motive for such a fraud?—A. It might be.

Q. I don't ask you whether it might be; I ask you whether you would find, as special agent, (a man whose business it is to investigate these cases and make these seizures)—I ask you whether you would find in that a sufficient motive for the fraud?—A. If an importer told me that was the reason why he did it, I would believe him.

Q. I ask you whether you would find in that fact sufficient motive for a fraud and would you press the condemnation of the invoice upon that ground?—A. That would depend upon surrounding circumstances.

Q. I am not asking you of any other circumstance except that one—where you had found that he had no other pecuniary interest in the transaction than merely to increase his trade, in getting his wool lower, for no other purpose—for the sake of increasing his business—whether you would still press his goods to condemnation and his property to forfeiture?—A. If he might in that way retain a valuable customer, I would think it sufficient.

Q. And that is the basis, as a special agent, that you would act upon—A. I would try to act upon the evidence in each case separately.

Q. I want your answer upon this particular case. I wish to find the basis of these seizures, and you have given the basis of what you would consider sufficient cause to press a case to forfeiture?

By the CHAIRMAN :

Q. Allow me to ask a question. Suppose you found an evidence of fraud upon an importation of goods, and yet upon prosecuting your inquiry you were satisfied that the importer had no interest except merely the commission, would you for that reason cease inquiry and give up the investigation?—A. I most certainly would.

Q. Would that be a good and sufficient reason for it?—A. It would be a good and sufficient reason if the merchant had not been the instrument through which the fraud had been committed and would make good the loss to the Government.

By Mr. HOWE :

Q. Before you had been taken in hand for cross-examination, the last thing you stated, I believe, was that these gentlemen offered to pay the Government the balance due it, upon condition that you would sign a certain paper. I wish to know to whom that offer was made.—A. It was made to the collector, in the collector's room, in the presence of Mr. Clark by their attorney.

Q. What collector?—A. Mr. Murphy.

By Mr. BAYARD :

Q. Upon the terms that all imputations of fraud should be withdrawn and that they would pay this balance of duty?—A. Yes, sir.

Q. And if you did not withdraw it they would not pay?—A. They did not say that, I think.

Q. It has not been paid yet?—A. Not that I know of.

Q. Then you don't know whether proceedings have been taken for it or not?—A. I don't know.

Q. And it is in the hands of Mr. Noah Davis, the district attorney?—A. Yes.

Q. How long has it been there?—A. It has been there ever since May 6, I should think.

Q. Eighteen hundred and seventy-one?—A. May 6, 1871. Yes, sir.

By Mr. HOWE:

Q. Now you can go on with your statement.—A. I can give you the reasons why I would not sign a letter of that kind.

Mr. HOWE. I don't care anything about your reasons myself.

By Mr. STEWART:

Q. I would like to hear you go on with the general statement of what you have been doing.—A. I have made a number of seizures——

By Mr. BAYARD:

Q. How long did you hold those books of Heineman & Payson?—They were seized on the 7th day of April and returned on the 6th day of May.

Q. One month, lacking a day?—A. Yes.

Q. Did you return the whole of them?—A. I think that there were two or three books retained by Mr. Clark.

Q. How long after that?—A. About two weeks.

Q. I won't interrupt your statements now; go on with them?—A. That is a matter over which I have no legal control. There have resulted from these thirty-one suits *in personam*—suits for value where the goods had gone into consumption—and six suits *in rem*—suits against the goods.

Q. How many *in personam*?—A. Thirty-one; and there are two suits *in personam* that the last I knew of the cases the papers were in preparation.

By Mr. HOWE:

Q. Six *in rem*?—A. Six *in rem*.

Q. And two in preparation?—A. Two suits in preparation.

Q. What are they; *in rem* or *in personam*?—A. They are *in personam*.

Q. How many *in personam*?—A. Thirty-one suits *in personam*, I believe.

Q. How do you get thirty-nine suits out of thirty-four cases?—A. There has been a certain fraud committed upon a certain importation; we commenced the suit against the goods where they had not gone into consumption, but, if a portion have gone into consumption, we have to commence a suit against the balance.

Q. You can have two suits against one importation, you mean?—A. Yes; one *in rem* and one *in personam*; a part of the goods have gone into consumption, beyond the reach of seizure. There have been thirty-four seizures and thirty-three suits *in personam* altogether.

By Mr. BAYARD:

Q. You mean seizures of property?—A. Seizures of books and papers.

Q. Thirty-four?—A. Yes; two seizures of books and papers of some firm—one house or office here, and one in Boston.

Q. Thirty-three mercantile houses, in all, have been seized?—A. Yes. Of these, twenty-five suits have been closed, resulting in judgments for \$636,787.38. The costs upon those suits have been a little over \$19,000—\$19,103.62. That may vary a dollar or two, but not more than that. The amount paid into the registry of the Treasury from those suits has been \$617,683.76, of which one-half, or \$308,841.88, has been retained by the Government as its share.

Q. And the other half?—A. Of the other half, \$154,420.94 has gone to informers and an equal amount to officials, *ex officio*.

Q. That means to the three. The collector, surveyor, and naval officer have one-third of a similar sum?—A. Have just the same sum as the informers. Yes, the three together. The whole amount of duties lost to the goods implicated in these suits was \$89,225.42 gold.

Q. The whole thing is gold, isn't it?—A. No, sir; the other is currency; add 15 per cent. to bring that to currency.

Q. Just explain what you mean by duties lost to the Government on the merchandise.—A. On the merchandise upon which these suits have been instituted.

By Mr. STEWART:

Q. By failure to pay the whole amount of duty?—A. By failure to pay the full amount of duty.

By Mr. CASSERLY:

Q. That still does not explain it; do you mean to say that the Government never got that amount of duties?—A. I mean that there was that amount of duties that the Government didn't get while the goods were being passed through the custom-house?—

A. What you mean to say is, that the Government would have lost that amount of duties but for the proceedings taken?—A. Exactly.

By Mr. BAYARD:

Q. Not precisely that, either. What proportion of the \$617,683.76, which was paid into the registry of the Treasury? The Government got one-half of that?—A. Yes, sir.

Q. Now, is the Government share of these duties, \$89,000 in gold, included in that half?—A. In the suits *in rem*, where we have got the goods, the duties which the Government had lost is made up separately and is not taken into account in this calculation. The suits brought *in personam*, where the goods have gone into consumption, the liquidation having taken place, no portion of it could go into the Treasury as duties; by law, when that liquidation is made, it is final as against the importer and as against the Government, and it is upon imputation of fraud that the value of the goods is collected.

By the CHAIRMAN:

Q. I do not quite understand that. I understand you that the goods for which suits have been brought, this \$617,000, having been recovered, the Government was entitled to \$89,000 duty?—A. They would have been entitled to that amount of additional duty had they been honest transactions with the Government; but when these entries—

Q. They would have been entitled to so much more, but the Government collected six hundred and seventeen thousand and some hundred dollars. What was that collection on; was it forfeiture?—A. No; it was penalties; and when the goods have gone into consumption there is no forfeiture. It is a penalty imposed for a violation of the revenue.

By Mr. BAYARD:

Q. Have you got anything to distinguish between the proceeds of the suits *in personam* and *in rem*?—A. I have nothing here. I would state that of these there has been but two suits *in rem* taken into this calculation—two of the suits.

Q. What were the duties in those suits?—A. One was some three or four hundred boxes of raisins.

Q. What did they amount to?—A. They amounted—the importer took the goods and gave a bond upon the appraised value, paying the deficiencies that were due in duty at the time of giving the bond, and the forfeiture is merely for the value of the goods less the duty. The duty first came out before the bond was given.

Q. Then the sum that was paid into the Treasury was paid net?—A. Yes.

Q. The other one was a case of what?—A. A case of wool. It was where an importation of wool—there were 227 bales of wool that were seized. When the books and papers were seized, it was found that the 227 bales of wool yet remained in bond. That wool was appraised and the deficiency of duty on that wool was exacted and paid, and they gave a bond for the amount of the wool less the duty.

Q. What amount was there paid into the Treasury?—A. Ten thousand five hundred dollars.

Q. What amount was paid in the raisin case?—A. One thousand dollars.

Q. Now, I understand you that in all these cases, where \$89,225.42 of duties, as you say, were lost to the Government—that, out of this, there were but two cases where the total value of the invoices amounted to \$11,000—the wool and the raisins?—A. Only that number where we obtained the goods.

Q. Now, I understand you that, where you obtained the goods and the goods are sold, there is, in the first place—the deduction is the duties to the Government?—A. Certainly.

Q. Then, from the remainder is deducted the expenses and cost of the court?—A. Yes.

Q. Then the remaining part is divided into moieties?—A. Yes.

Q. That is the net remaining part?—A. Yes.

Q. But, where the goods have passed into consumption and the proceedings are *in personam*, there is no deduction made from the amount paid into court at all for duties?—A. No, sir; none at all.

Q. But that the only deduction from the gross amount is the court expenses, and then the informer and the Government divide the balance?—A. Exactly.

Q. So that, in that case, the Government gets no allowance for its duties at all, where the goods have passed into consumption, although the fraud has been perpetrated?—A. They get one-half of the proceeds of the suits in lieu of the duties.

Q. That is a part of the history of these operations?—A. Yes, sir.

Q. Wherever the goods have not been seized because they have passed into consumption, the Government gets no duties at all?—A. It gets one-half of the duties imposed.

Q. I asked you whether it had anything for duties?—A. Not at all. It can't receive it under the law.

Q. It does not receive it under this practice and under this law?—A. It never did under any.

Q. It does not receive them?—A. No, sir.

Q. And you and others who make the seizures divide with the Government gross?—A. Divide with the Government net.

Q. Net is after the court expenses—a very small sum, comparatively?—A. That is little less than $3\frac{1}{2}$ per cent.

Q. Then you have $96\frac{1}{2}$ per cent., and that you cut into two parts, and you and the collector and surveyor and naval officer get the other part?—A. I do if I am informer.

Q. We considered that you might be one as an illustration. You would divide it between you and the Government, the Government duties being included in its one-half of the moiety?—A. There is no duties about it.

Q. It does not get any duties at all in that case?—A. The fault is in the law.

Q. I am not speaking of fault. If you will just answer my questions we will get along better. They are very plain, and I am going to get an answer some time.—A. I have tried to give it as correct as I can. I thought I gave a direct answer, and that was, that in any case for value there was no question of duty brought in. There is none under the law.

Q. Here is a case of importing merchandise; it is imported fraudulently; the Government is wronged and does not receive its duties, but the goods have passed into consumption and your suit is *in personam* to recover money, the goods not being capable of seizure?—A. The value of the goods.

Q. You sue and recover the amount?—A. Yes.

Q. The Government gets no duties in that case at all, but the only deduction from the fund is for the costs of the court; is that so.—A. That is so.

Q. And then the whole amount recovered from the fraudulent importer, less the court costs, is divided into two equal halves?—A. Yes.

Q. The Government gets one of those halves?—A. Yes.

Q. And the informer, naval officer, collector, and surveyor get the other half?

By Mr. PRATT:

Q. How does the amount which the Government recovers in the shape of this judgment or moiety, after the costs have been deducted, compare with what the duties would have been upon the goods if they had not passed into consumption?—A. Taking the cases that I have had, the amount that the Government has received has been over three times the amount that the Government would have received for duties, had the duties been paid honestly at the time.

Adjourned, at 4.30 p. m., to Monday, February 5, 1872, at 10 a. m.

FIFTH AVENUE HOTEL, NEW YORK, February 5, 1872.

The committee met at 10 o'clock, pursuant to adjournment, when proceedings were resumed.

On motion of Mr. PRATT, it was decided to adjourn to Washington, on Saturday, February 10.

B. G. JAYNE's examination resumed.

By the CHAIRMAN:

Question. At the time the session of the committee was closed on Saturday, I think you were giving an account of the seizure of papers belonging to the weighmaster and also an account of parties who have left the country, some of whom have returned and given some information. Will you go on with your statement?—Answer. I think we had arrived at that point where we had got the dock-books of the weighers. I went to work, and compared them carefully with the records on file in the custom-house, showing the weight of the goods that had been returned by the weighers and the discrepancy between the original weights, as shown by these dock-books and those original returns. I then took the cases in detail, and obtained evidence, as far as I could and as conclusive as I could in a particular case. I was continually in consultation with the United States attorney, and when I would obtain evidence that I deemed sufficient to warrant the application for the books and papers of the firm, I would lay them before the law officer of the custom-house—the solicitor of customs—Mr. Clark—

By Mr. BAYARD:

Q. What do you call him?—A. I think the solicitor of customs is his title—and also before the collector, generally calling the two together, when, if they deemed the evidence sufficiently satisfactory, they would write a letter. The letter would be prepared by my clerk and would be sent by the collector, requesting the United States attorney to obtain a warrant for the seizure of books and papers. I would lay the evidence also before the United States attorney when I went for the warrant. The warrant would be obtained in that way.

Q. Did you ever serve that warrant yourself?—A. I never served it myself.

Q. Who did serve it?—A. The United States marshal, or a deputy, in all cases.

By Mr. PRATT:

Q. Was not the warrant by the terms of the law directed——A. It was directed to the marshal or his deputies.

By the CHAIRMAN:

Q. Did you go before the judge and make statements there, also, in regard to the ground upon which you wanted the warrant issued?—A. Very seldom before the judge; I think, on one or two occasions, I went before the judge, but the warrant would have the indorsement of the United States attorney, who would go in person to procure it—in person or by one of his assistants. The books would be taken in custody by the marshal. I generally accompanied the marshal to the office of the importer, and was accompanied in almost all cases, also, by a deputy surveyor. We went for the purpose of identifying the books and papers called for by the warrant.

By Mr. PRATT:

Q. Did the warrant describe the books and correspondence to be seized?—A. The warrant states the importation with regard to which the fraud is charged, the ship upon which such importation came, the state of the importation, and the marks and numbers designating the merchandise. The warrant would call for the books, papers, correspondence, ledgers, and journals relating to such importations.

By Mr. BAYARD:

Q. Did your warrant call for special books and papers only?—A. It would be impossible to give a closer description, we not knowing the manner in which a man kept his books.

Q. Under that warrant did you take the whole of the books and papers from the person?—A. O, no, sir.

Q. You never did that?—A. I think not.

By Mr. PRATT:

Q. Only such as related to that particular importation?—A. Such as related to the importation. It very frequently happened that the book that would relate to the importation named in the warrant related to a great many other importations, and circumstances would frequently occur like this: In going into the office of an importer, he would be very anxious to have us get away as soon as possible; and, as making the selection and sorting them out would take a considerable time, upon their suggestion we have frequently taken whole files of papers that would cover the time in which the importation occurred. We have frequently done that upon their suggestion, and assorted them the moment they came into our possession, and returned the others, in order not to attract the attention of their neighbors.

Q. Let me ask you, at this point, what precautions were taken by the marshal and his assistants, who made these seizures, to prevent unnecessary publicity of this movement to the prejudice of the merchant?—A. I have been very careful about mentioning matters of this kind to outside parties, and have requested the deputy marshals and those accompanying him to be careful also; but of course I could have no control over what they might say about the matter. It was a matter of record which any man, I suppose, could know about.

Q. Some complaint has been given to the committee of improper conduct on the part of officers making seizures, such as filling the office of the merchant with a large number of men, and of their wearing their hats, and smoking, and acting with a good deal of freedom upon his premises. What is your experience on that point?—A. In cases that I have been connected with I have never heard of any complaint of that kind. The books, when seized, would be taken into custody by the marshal, who would make his returns to the district judge—to the court. The collector would then make a request for the custody of the books, for examination. There is a printed form for that. Then the court would give the books into the custody of the collector, and he would designate the officer under whose supervision the books should be examined. The law states that the examination shall be made by the collector, or by some officer designated by him. When I have had the examination of the books, as I have in the cases where the books have been seized upon my application in New York, I have made the examination as rapidly as I could, and if at any time we had books that were required by the importer in his current business I have afforded him every facility I could for consulting those books. I have made the examination first of such books as he might require in his business, in order that they might be first returned to him, even before the formal return of all the books.

Q. As a general thing, how long have a merchant's books and papers been retained, in prosecuting the examination?—A. From two days to a month, I suppose, and in some instances a portion of the books would be retained by the collector, as evidence, where they were deemed essential, and where a copy would not answer the same purpose.

But that was a matter over which I have not exercised control, and have not attempted to.

By Mr. BAYARD :

Q. Is that the longest time you have retained books and papers in your office?—A. For examination——

Q. I do not mean for examination. How long have they been retained in your possession, and from the possession of the merchant?—A. They may have been six weeks or two months sometimes, but not books required in their current business. Immediately upon ascertaining the facts shown by the books, I have reported those facts to the collector, and also stated them to the United States district attorney; and if, on the examination, there were any facts about which I was not clear myself, or that involved difficult questions of law, I have had the United States attorney come to the office and go over the books with me, or send one of his assistants. Where the collector has deemed that the evidence thus obtained as sufficient, he has ordered a suit. I would further say in these examinations that Mr. Clark has frequently gone over the facts. I think he generally has gone over the facts after I have got them in shape, so that they were ready for reference, but I have been assisted to considerable extent in my early examinations by the then naval officer, General Merritt.

By Mr. PRATT :

Q. What proportion of cases have been sustained as frauds upon the revenue where you have instituted these seizures?—A. In all cases where I have made a seizure, and have been satisfied after the examination that frauds had been committed, there have been only two upon which suits have not been instituted. In one case, the evidence showed that the fraud was committed, but that the importer, whose books and papers we took, was not a party to the fraud, and had received no benefit from it.

By the CHAIRMAN :

Q. What was done in that case?—A. The books were returned to him, and no proceedings were instituted.

By Mr. PRATT :

Q. What case was that?—A. That of Ferdinand Heitz. His attorney who appeared for him was Judge Butler, of the firm of Evarts, Southmayd & Choate. He informed me that he was in the office of that firm. He is a gentleman who used to be a partner in the firm of Butler, Evarts & Southmayd.

By Mr. BAYARD :

Q. State the other case.—A. It is the case to which reference was made on Saturday—that of Heine, Mann & Payson.

Q. Those are the only two?—A. Those are the only two.

By Mr. PRATT :

Q. In all the cases of seizure suits were instituted?—A. Yes, sir.

Q. I think you stated on Saturday that there were thirty-four seizures of books and papers which you have made?—A. Thirty-three in New York, and one in Boston. Allow me to make one correction. In one of these cases the books were not seized under a warrant, but I made the examination at the house of the importer, without a warrant.

Q. What case was that?—A. It was the case of S. Covas—a wool case.

Q. Was that examination conducted at his house at his own request?—A. At his own request. I went to the collector in that case, Mr. Grinnell, for a letter to procure a warrant. It appears that the importer had heard that some proceedings were about to be instituted, and had been there a few minutes before, as I was informed, to see the collector. The collector immediately sent for the importer, and he requested that I make the examination without a warrant, which I did.

Q. Can you state to the committee the amount of judgments obtained in favor of the United States, as the result of the evidence obtained by the seizure of the books and papers of merchants?—A. By me?

Q. Yes, sir.—A. About \$636,000.

Q. That is the amount you gave to the committee on Saturday?—A. Yes, sir.

By Mr. BAYARD :

Q. That sum resulted from cases where you have seized the books and papers alone?—A. Except that one case I have just mentioned, where the examination was made at the house.

Q. What was the result in that case?—A. Ten thousand five hundred dollars.

Q. That is included in the \$630,000?—A. Yes, sir.

Q. That does not refer to other seizures, or other forfeitures where the books were not seized at all?—A. No, sir.

By Mr. STEWART :

Q. You gave the amount on Saturday that had been paid to the Government, which they had received by informers. I would like to have you state how much was the informers' share.—A. About \$154,000, as I figure it out.

Q. What proportion of that was received by yourself?—A. By the books of the Treasury Department, I would be shown to have received some \$25,000 to \$28,000 less than that, perhaps.

Q. Than that amount?—A. Yes, sir.

Q. What amount did you actually receive?—A. That would be about \$125,000, I suppose.

Q. That is your share?—A. That is what has been charged to me on the books of the Treasury Department—what has been awarded to me as an informer.

Q. Did you retain all that yourself, or did you have to divide it with others?—A. I divided with others frequently.

Q. To what extent?—A. I suppose \$40,000 or \$50,000.

Q. Can't you tell how much?—A. I can't tell exactly how much.

Q. How much would that leave you?—A. It would leave me about \$75,000 or \$80,000.

Q. How long have you been at work?—A. Since the 3d day of June, 1869.

By Mr. PRATT :

Q. In all these cases the goods had gone into consumption, and the Government had lost its duty upon the goods, and but for the institution of these proceedings and the recovery of these judgments, the United States would have received nothing in the shape of revenue from the goods?—A. Yes, sir; except where the suits were *in rem*. There were two, one for \$10,500, and the other for \$1,000, where the goods were actually seized.

Q. I understand you to say that the moiety received by the United States was largely in excess of what would have been its duties on the several importations?—A. About three times, I think. The amount of duties on the goods upon which the suits were instituted was about \$89,000, gold. Reducing that to currency at the rates at which gold was selling at the time, it would bring it about one-third more, to \$102,000 or \$103,000.

Q. Have you any other general statements to submit to the committee?—A. I would state that in a portion of these suits the basis of the examination was the evidence found in these dock-books. In the prosecution of these other examinations it would lead to the discovery of other kinds of fraud.

Q. Committed by the same firms?—A. In part by the same firms; in some cases where short weight had been obtained. In the examination of their papers and their books, in my possession, I found they had committed other frauds of a particular kind. For instance, a man would have an importation of coffee and sugar, which would be 100,000 pounds, that the weigher had returned—this is merely hypothetical—the weigher would make a correct return of the weight, and then, by collusion of the liquidating clerk inside the custom-house, they would obtain a false liquidation of the entry, by destroying or substituting some other figures than the ones returned by the weigher, and thus defraud the Government of a portion of its duties. For instance, in one case, where there was one thousand boxes of sugar, the appraiser had classified them as 500 boxes below number 12 Dutch standard, and entitled to pay 3 cents per pound duty, and the other 500 boxes as above No. 12 Dutch standard and below No. 15 Dutch standard, and entitled to pay 3½ cents a pound duty. The weigher had returned the sugar at 420 000 pounds. The liquidating clerk had liquidated the entry as if it was 400,000 pounds—20,000 pounds short—and as though all the sugars had been classified at 3 cents. In these cases the original warehouse entries, with the invoices upon which the classification had been made, were withdrawn from the custom-house and destroyed. I suppose they were destroyed—at least I was unable to find them. I arrived at the result by taking the records of the custom-house and reproducing the papers. It is a singular fact, and yet it is true, that by the system of accounts as kept in the custom-house, there is no way by which a paper can be destroyed but what it can be reproduced, with its checks, by a person understanding thoroughly the system of accounts.

By the CHAIRMAN :

Q. Will you repeat that statement?—A. There is no way by which a paper among the records of the custom-house, if a person thoroughly understands the system of accounts, with the checks, can be destroyed, so that it cannot be reproduced. The appraiser's department will show the classification, and will show what the invoice was. The record kept at the cashier's desk—the balance-sheets—will show what duty was paid. The records in the surveyor's office will show what the weight was, if there were goods paying specific duties, and so on through the different departments.

By Mr. PRATT :

Q. You say there is no way by which a paper can be destroyed without it can be

reproduced by some other department in the custom-house?—A. By taking the records of the various departments.

Q. Are there in that respect sufficient checks to any frauds which may be attempted by the destruction of papers?—A. There is a sufficient check, but there is such a tremendous volume of business that it makes the search for fraud, in a custom-house so extensive as that of New York, very much like searching for a needle in a hay-mow.

Q. What is the difficulty in the system?—A. The difficulty is not in the system, I think; yet there are doubtless faults inherent in the system in the custom-house.

Q. You have spoken of frauds connected with the importation of coffee. Was it done by a collusion between the importer and liquidating clerk?—A. It was.

Q. Do you know who the liquidating clerk was?—A. No, sir.

Q. Is he in the employment of the Government now?—A. He is not.

Q. Do you know anything about the seizure of the books and papers of Ezra Wheeler?—A. I do.

Q. What can you state about that?—A. I learned that frauds had been committed upon the revenue by Ezra Wheeler & Co., and that it consisted of some sort of manipulation in regard to the entry of teas—one or more entries of tea. I went to the records and got all the bond numbers of his bonded goods—of goods that had been imported and had gone into bond. I then made a search for the entries, and I found the warehouse entries from the collector's office gone, and the invoices were gone.

Q. From the collector's office?—A. Yes, sir; from the collector's office. I then made a search for the corresponding papers of the collector's office in the naval office. I found copies of the warehouse entries. I then made a search in the appraiser's department for the records of those importations, where the warehouse entries had gone from the collector's office to ascertain the damage allowance that had been made, and the percentage that was upon the goods, by which you can arrive at the quantity of goods damaged. I then got up the dock-books filed in the surveyor's office, and found what original returns had been made in the surveyor's office. I compared those with the naval-office copies of the warehouse entries, and found that upon three entries of tea there had been 4,000 pounds thrown off, making just \$1,000 difference in the amount of duty, and another one of \$325 difference in the duty, and I found these sugar entries of which I have made mention. I will say, however, that at the time this seizure was made I had reason to believe that Mr. Wheeler had been notified from some source that I was making examinations. In my efforts to obtain evidence, I had reason to believe he had been notified. I had reproduced the evidence in respect to two of the entries, so that I could tell exactly. I made the seizure of the books and papers upon charges of fraud upon these two. The account of his sales was kept in the same books with those that related to these two. I was enabled to prove from his books, where I found copies of the original invoices of the amounts sold that fraud had been committed upon five entries. These were all false liquidations.

Q. With whom was the collusion?—A. The collusion was with a man by the name of Davidson.

Q. What was his position?—A. He was a liquidating clerk in the naval office. It also of necessity required the collusion of both the collector's and naval office, and the clerk that made the liquidations in the collector's office was named Shankland. I have been unable to find him from that time to the present. He had absconded previous to the discovery.

Q. What became of the other clerk?—A. The other clerk was the only direct proof that I had of the collusion and fraud, and he was accepted by the United States Attorney as a witness.

Q. Is he in office now?—A. No, sir; he was removed immediately by Mr. Grinnell, the then naval officer.

Q. So that one of the clerk's was removed and the other absconded?—A. One had absconded previously, on account, I think, of being detected in some irregularity, not by myself, but by somebody else.

Q. This was by collusion with the firm of Ezra Wheeler & Co.?—A. Either some member of the firm or some one in the interest of the firm. I suppose that the collusion was with some clerk of the house. But money was paid by a former clerk of Mr. Wheeler—was paid to the liquidating clerk.

By Mr. BAYARD:

Q. How much money was paid?—A. The amount paid, I think, was one quarter of the duty saved.

Q. Paid to the liquidating clerks?—A. Yes, sir.

By Mr. PRATT:

Q. Go on and state still further in reference to the seizure of the books and papers of Mr. Wheeler?—A. When we went to the office of Mr. Wheeler, the books and papers relating to these importations were out of his store. We did not find them in his office, and we found some confusion. But we were so close that Mr. Wheeler sent out

for the books and they were immediately brought back. I take it for granted that somebody in the house knew better than I did which books I wanted. We took the books they had already boxed up, and which we found to be the exact books we wanted, very well assorted.

By Mr. STEWART:

Q. They had boxed them up?—A. They had boxed them up and taken them away, but they brought them back in five minutes from the time we got there.

Q. They were taken away in a box?—A. Yes, sir.

Q. They were boxed up to deliver to you, or to keep from you?—A. They were boxed up to keep them from us. We found the books, however, somewhat mutilated, but I was enabled by analyzing the accounts of the ledger and journal to trace them through.

By the CHAIRMAN:

Q. What was the result of your inquiry?—A. The result was, that a suit was brought for the recovery of \$120,817.69, which was the value of the five importations, and a confession of judgment on the part of Wheeler & Co. for that amount.

Q. Is that the amount that they paid?—A. That is the amount they paid.

Q. Is there anything further in connection with your proceedings at Wheeler's store?—A. No, sir.

Q. Did they oppose the seizure of their books and papers in any way?—A. No, sir; not all.

Q. Did they complain that the course which the Government pursued, through you, was oppressive or derogatory to their character?—A. Not at all. I believe I never had two minutes' conversation with Mr. Wheeler altogether. Mr. Wheeler sent his attorneys—Ex-Judge Henry E. Davies, and Mr. Stanly.

Q. Did they, or not, appear to feel that it was an indignity that you should seize their papers in that manner—did they manifest any indignation?—A. I don't think they made any manifestations of the kind. Like almost anybody else in that position, they probably had much rather we would not have come. Mr. Wheeler told me that if I had notified him he would rather have given me a quarter of a million than to have me come.

Q. Have they not been largely engaged in the importation of coffees?—A. Yes, sir; they have.

Q. Do you know whether there has been any complaint on the part of others, that they were unable to compete with Wheeler & Co. in consequence of the low prices at which they sold their goods?—A. I have not; I do not know anything about that.

By Mr. STEWART:

Q. Were there any other frauds that you have investigated, besides these you have been speaking of?—A. There was one.

By Mr. BAYARD:

Q. Were any weighers connected with or implicated in the Wheeler frauds?—A. None at all. The weighers had made their returns correctly. I will say that I had evidence of a fraud having been committed by a weigher, but I could not trace any evidence of his books of that, for the books had been mutilated, a portion of the book was gone.

Q. But you became satisfied of it?—A. I am satisfied.

Q. What was his name?—A. The fraud was committed upon the district of Judge Wheeler—Nelson K. Wheeler, but not by him.

Q. Who was the weigher?—A. The weigher was Nelson K. Wheeler.

Q. It was not an individual in the employ of the Government?—A. The individual was in the employment of Nelson K. Wheeler, the United States weigher, but I have reason to believe that it was not done without the knowledge of Mr. Wheeler; at least the person who made the return so stated.

Q. What was the name of the employé?—A. His name was William H. Fuller; it was Mr. Wheeler's former clerk. I think it was William H. Fuller.

Q. Do you know where he is now?—A. I do not.

By Mr. STEWART:

Q. Is there any other class of frauds that you have investigated besides those you have stated?—A. Yes, sir; I found in a case of cutlery imported a false verification.

Q. Were the books and papers seized in that case?—A. They were; it was the case of Peters & Brothers.

Q. I want to know if there was any class of frauds where you did not seize the books and papers?—A. That was a different kind. Those were goods paying *ad valorem* duty.

Q. Explain where that collusion was.—A. A man imports an invoice of goods paying an *ad valorem* duty. An examiner of the appraiser's department is assigned to compare the goods that come in the case with the invoice. In this case there was a larger

quantity of goods in the case than the invoice showed, and the goods were also of a higher value than the invoice showed. The collusion was with the examiner, in the appraiser's department, who returned the goods for the action of an assistant appraiser as correct, as stated in the invoice, as to quantity and as to value. In that case I seized the books and papers of the house. Their sales were, I think, all contained in one book, and extended over quite a long period of time, the books containing evidence of fraud commencing back in 1868 and 1869. But the same book that contains their invoices and sales at that time contains those down to the present time, or nearly the present time. After I got their books and papers I found, in regard to some five or six importations made by them, another set of invoices from those presented at the custom-house. They were made in cipher. I worked upon them for a short time, and deciphered them, and was enabled to read them. They were by signs. I was enabled to read them, and show that they were the exact counterpart of invoices presented to the custom-house, except as to the quantity in the case and the value of the goods; they were different. There was an average of some 20 per cent. difference. The collusion which I discovered was with a former employé in the appraiser's department; and it appeared by their books that this same kind of verification and passing of their goods had run right down to the present time. Their importations were very limited, as it was a small concern. The examiner in the appraiser's department had either been very careless or very ignorant, or had been a party to the fraud. I immediately notified the appraiser of the fact, giving him the name of the party, and he was removed.

Q. Who was the appraiser at that time?—A. It was soon after Mr. Darling came in. I think it was about the time of the change.

Q. Who was the examiner?—A. His name was Sinclair. The only means we had of knowing who the examiner was in that particular case was by the initials placed upon the invoice, which were the initials of an examiner by the name of Sinclair, in the appraiser's department.

Q. In investigating these matters, have you in all cases, when you have found a delinquent officer, reported him?—A. Yes, sir.

By Mr. PRATT:

Q. I ask you whether your authority as a Treasury agent extended to the supervision of the official conduct of officers and the employés in the custom-house service?—A. I am supposed to ascertain any neglect of officers in doing their duty properly; and if I ascertain any fact showing that, I report that fact to the department, and also notify the head of the department in which the delinquent officer may be employed here, that he may be removed.

By Mr. STEWART:

Q. You say you have in all cases reported any irregularities that you have discovered in the course of these investigations?—A. Yes, sir.

Q. And in all cases you have reported to the department?—A. All cases for examination—

Q. I mean where there was a delinquent officer you reported him to his superior officer, and they have in all cases been examined by the superior officer?—A. They have in most cases. I do not know what examination they have made of the officer, but they have in all cases been removed, with one exception.

Q. Upon your representation?—A. Yes, sir; with one exception.

Q. What was that?—A. That was the case of William D. Case.

Q. What was the charge against him?—A. The charge was of having been a party to the taking of a case of goods from a cart when it was on its way from a bonded warehouse for exportation to Canada, and substituting in its place a box containing kindling wood.

Q. He was charged with that?—A. Yes, sir.

Q. Was that investigated?—A. I had him arrested.

Q. Was that all the investigation there was?—A. He waived an examination of the case, and is now awaiting the action of the grand jury.

Q. What were the circumstances connected with the transaction; the general circumstances?—A. The general circumstances I can detail to you: A debenture officer came to me one day, and said that he had reason to believe that goods that came here and bound to the general-order stores, intended for exportation to Canada, were being exchanged here on their way from the warehouse to the depot for transportation, and he said that he had been approached by an officer and requested to step into a saloon and take a drink, while they would have an opportunity of doing that; and he had been offered \$25 if he would do it—the goods being a case of cigarettes. He came to me and asked me what he should do; I told him to accept the \$25, in order that we might ascertain who the parties were. I then obtained two or three officers, who I believed could be trusted implicitly, to follow the cart when it went from the debenture-room to the warehouse, and then follow it to its destination. The case of goods was exchanged and was taken to a private house up in Forty-sixth or Forty-seventh street.

After being taken into the house, the officer being right on hand when it was unloaded, he seized it and brought back the goods, and I had the other officer to bring back the case that was substituted for it, so as to have both for evidence to connect all the parties with it. There appeared to be three parties to the transactions. I had them each arrested, and they were all placed under bonds.

Q. What did you next do?—A. He was simply employed by the parties who intended to smuggle the goods; it was the equivalent of smuggling. He was employed to select the debenture officer and pay the money for them. He did select the officer, and did pay the \$25.

Q. Case paid the \$25?—A. Yes, sir.

Q. What office was Case in?—A. At that time he was an inspector of customs. I notified the surveyor, and also notified the collector. The surveyor went and asked his removal, and Mr. Terwilliger said he should be removed. Mr. Murphy was not present at the time.

Q. How long ago was that?—A. It was in the summer, I think

Q. This last summer?—A. Yes, sir.

Q. Is he in office still?—A. He is not.

Q. When was he removed?—A. I think he was removed about a month ago. I discovered that he was still in there, and I went and asked Mr. Murphy. Mr. Murphy told me that he had given direct orders to Mr. Terwilliger some time ago to have him removed.

Q. This occurred last summer?—A. Yes, sir.

By Mr. CASSERLY :

Q. Fix the date a little more exact.—A. I cannot without reference to some data. I was asked the question if, in all the cases, the parties had been removed. He left the surveyor's department immediately upon this transaction, and was assigned to duty inside the custom-house.

Q. What duty?—A. I think it was filing papers; something in connection with the filing of papers. Mr. Cornell knew the circumstances at the time, as I told him, and he went out of the department immediately.

Q. You saw nobody but Terwilliger at the time you first went there?—A. No, sir.

Q. When did you first mention this matter to Mr. Murphy?—A. I think it was about a week or two before this committee came here the first time. I knew that he was there—I had discovered him there about two weeks after his arrest, and I then told them that the man should not be employed.

Q. Whom did you notify?—A. I think I called Mr. Terwilliger's attention to it.

Q. What did he say?—A. He said he would attend to it.

Q. Then, you say, two or three weeks before the committee came, he was still in office?—A. I cannot fix the exact date of that time, but I spoke to Mr. Murphy about it, and he went immediately and gave a peremptory order for his removal.

Q. He must have been in office?—A. He was in office up to that time.

Q. Mr. Murphy had not gone out of office?—A. It was just before Mr. Murphy went out.

Q. I want to know if Mr. Murphy, at the time you speak of, was collector?—A. He was.

Q. That was the first time you spoke to him?—A. Yes, sir. Mr. Murphy was absent when I first spoke to Mr. Terwilliger.

Q. When was the first time you spoke to Mr. Murphy?—A. About two or three weeks before; I guess that was the first time I spoke to Mr. Murphy. I spoke to Mr. Terwilliger first about it.

Q. When did you speak to Mr. Murphy about it?—A. Just before he left office.

Q. What did he say?—A. He said that he would have him removed, that he had told Mr. Terwilliger to do it.

Q. You stated something about his having said that he had ordered it done?—A. He said that he had ordered it done before.

Q. You spoke to Mr. Terwilliger twice about it?—A. Twice about it.

Q. What did he say the first time, and what the second time?—A. The first time I spoke to him about it was to inform of the arrest, which I did on the day that Mr. Case was arrested. Then I saw that Mr. Case was in the custom-house at work some two or three weeks after that—I cannot tell the exact date, but I went to Mr. Terwilliger and told him this man was in office there, and ought to be removed, and he said he would attend to it.

Q. And you discovered still later that he was there still?—A. I discovered still later that he was there still, and I went to Mr. Murphy about it.

Q. Mr. Murphy then removed him?—A. Mr. Murphy told me that he would remove him.

Q. Did he remove him?—A. I understood that he was removed—I do not know, I have not looked at the record, but I suppose that he did remove him.

Q. You didn't follow it up any more?—A. I didn't follow it, because I supposed—

Q. Can you fix the date, or about the date, when he was arrested?—A. No, sir; I cannot, but I could ascertain the exact date of it.

Q. You can do that hereafter. He was arrested and waived examination?—A. Yes, sir.

Q. Have the grand jury acted upon it yet?—A. I think not yet. There has been no grand jury in session, I think, from that time up to the present grand jury.

Q. Is there a grand jury now in session?—A. There is a grand jury now in session.

By Mr. BAYARD:

Q. Who gave you the information upon which you caused Case to be arrested?—A. It was given to me by this inspector.

Q. Do you know his name?—A. Yes, sir.

Q. Who was he?—A. The one who received the \$25? He received it because I told him to.

Q. It was a thoroughly understood thing?—A. Yes, sir.

Q. What was his name?—A. Hastings.

Q. Richard Hastings?—A. Yes, sir.

Q. You had, then, most conclusive evidence of Case's guilt?—A. I have no doubt of his guilt.

Q. He was then, I understand, in the department of Mr. Cornell?—A. Yes, sir.

Q. Did Mr. Cornell instantly remove him?—A. Mr. Cornell went with me to the collector, and I was told that Mr. Murphy was gone, and I told Mr. Terwilliger the facts.

Q. To what duty was that man instantly assigned in the custom-house?—A. I do not know that he was in the custom-house for some two or three weeks.

Q. When you found him what was he doing; was he an inspector?—A. He was not an inspector; he was in the record-office filing away papers.

Q. Who became his bail when you caused his arrest?—A. He was arrested on Saturday afternoon, and Mr. Terwilliger, I understood, became his bail until Monday morning.

Q. Do you not know that Mr. Terwilliger not only became his bail but is the only bail in the case?—A. I think not; I think he became his bail until Monday morning.

Q. Was the bail then changed?—A. I understand that Mr. Hamilton Harris then became his bail; that Mr. Terwilliger became his bail to keep him from lying in jail over Sunday.

Q. Then he brought him into the custom-house and kept him from being otherwise occupied?—A. I do not know for what he brought him.

Q. At that time what was Mr. Terwilliger's official position in the custom-house?—A. He was deputy collector, I suppose.

Q. Was he not also private secretary of the collector?—A. I understood so.

Q. And the confidential secretary of the collector?—A. I suppose so. I do not know how confidential their relations were, but I suppose that he was. I suppose there is no question about that.

Q. You found this man there whom you had detected in this fraud employed in the custom-house, and you made a representation to Terwilliger that he should not be there, and he was then removed?—A. I do not know whether he was removed from his position as inspector.

Q. But he was employed in the custom-house?—A. Nor do I know how soon he got to work as a clerk.

Q. Was that man removed by Mr. Murphy at all during his administration?—A. I do not know that he was removed at all.

Q. Do you know that if he has been removed it has been just upon the eve of this investigating committee coming here?—A. I know so far as this, that my action has had nothing to do with it.

Q. You say you did your duty by reporting this delinquent to his superior officer, and you did it without fail, apparently?—A. I not only reported him to his superior officer, but I reported the fact to the rest of the department.

Q. Do you not know that he never did go out of office during Mr. Murphy's term?—A. I do not know that fact, but I supposed that he did.

Q. Let us go back to somewhere near the time of the detection of this fraud.—A. I think it was after the adjournment of the spring term. There is no grand jury through the summer in the United States court.

Q. Was it in the spring; if so, what month was it?—A. I could not tell you within three months, probably.

Q. Although you had arranged to arrest the suspected party, and had procured another person to fix the guilt upon him, you cannot now recollect when, although it occurred within six months past and within three months of its occurrence?—A. I cannot recollect the precise date; I cannot tell exactly, but I have no wish to avoid stating the date at all.

Q. You say there has been no opportunity to indict from that day until— A. Not until the present grand jury.

Q. How long has it been in session?—A. I think the grand jury came in with the December term; I think so; but since that I have been absent in Boston and waiting upon the action of this committee.

Q. Where is Mr. Hastings?—A. He is in the custom-house.

Q. We know something of your whereabouts for the last two or three weeks.—A. Yes, sir. I suppose Mr. Hastings is there; he was the last I knew of him.

Q. Is Mr. Terwilliger, who was the private secretary of the collector and deputy collector, the same gentleman who is now clerk of the senate in this State?—A. Yes, sir; I suppose him to be.

Q. Do you not know that he is the James Terwilliger who is clerk of the senate?—A. I have not been to Albany, and I have not seen him in that place, but there is no doubt of it; I have the same information that other people have.

Q. Are you not connected with the custom-house?—A. Yes, sir, I am.

Q. Have you missed Mr. Terwilliger there?—A. He is not there, I understand. I think I have not been in the collector's but three or four times since he left.

Q. Do you not think your conscience would enable you to state that Mr. Terwilliger, who was deputy collector, is now the clerk of the senate?—A. I have no doubt of it.

Q. When did he quit the office of deputy collector?—A. I understand the 31st day December.

Q. When was he elected clerk of the Senate?—A. I do not know anything except what the papers stated, but I believe he was elected about that time.

By Mr. CASSERLY:

Q. Have you any doubt that the legislature is sitting in Albany?—A. Not the least.

By Mr. BAYARD:

Q. And don't you know equally well that Mr. Terwilliger is clerk of the senate?—A. Yes, sir. I do not wish to evade that question at all.

By Mr. STEWART:

Q. Was there any other class of cases which you have examined?—A. We found, in the examination of these false weights, that, in some cases, the importer made his invoices, some 10, some 25, and some 30 per cent. short of the actual quantity of goods, and then, by a prearrangement, I suppose, with the weigher, arranged to have them weighed at the invoice weight. My particular attention was called, in two or three cases, to the fraud, by the fact that the weigher's returns did not vary one-sixteenth of one per cent. from the amount stated in the invoice, which was a little too close. By tracing it I found that the invoice had been made a certain per cent. short, and by a preconcerted arrangement, I suppose, the weigher returned the invoice quantity.

Q. Can you give me an instance of that practice?—A. Yes, sir. The case occurred upon the district of George S. Sherman, who was a United States weigher—General Sherman. The cases were those of Henry Knight, Alva Oatman, J. M. Mayaga, and one small invoice by J. J. Almarall, and there was another one to M. & E. Solomon.

Q. In these cases were there seizures of books and papers?—A. Yes, sir.

Q. And the matters were investigated?—A. Yes, sir.

Q. They appear here in the returns?—A. Yes, sir.

Q. I want to know about the weigher. You say it was in General Sherman's district?—A. Yes, sir.

Q. What were the articles weighed?—A. Tobacco.

Q. Who was the party implicated in the fraud?—A. United States weigher Sherman.

Q. Himself?—A. I suppose it was by himself and the importer, or some employé of the importer. The exact *status* of the collusion I never could arrive at.

Q. Why not?—A. From the simple fact that neither party would tell what had actually taken place.

Q. You could get nobody to turn State's evidence?—A. I did not; I failed. I relied entirely upon documentary proof. One other fact: I was enabled to prove the actual weight of some of these goods that came to the dock, by a memorandum made by an employé of Mr. Sherman, who had in some cases written a memorandum of the weight of some particular goods.

Q. How long ago was that?—A. From 1866 to the commencement of 1869.

Q. When did you discover them?—A. I discovered them, I think, about August, 1870.

Q. What has become of Sherman?—A. He is now, I believe, chairman of the levee committee of the Warmoth government of Louisiana.

Q. How long did he remain in the custom-house?—A. He was removed from the custom-house because Mr. Grinnell was induced to believe that he was not honest.

Q. It was before you discovered these things?—A. Before I had discovered there was any definite proof. I had said to Mr. Grinnell that I believed him to be entirely unfit for the position.

Q. He was removed by Mr. Grinnell?—A. Yes, sir.

Q. What these definite charges were had not come out at that time?—A. No, sir.

Q. Was any other party implicated in that?—A. None that I know of. They were matters that would not be discovered by persons doing their duty properly in the custom-house—there was no means of detecting them. I will state, too, if you wish to know, such remedies as have been applied.

Q. This point interests me. You say that these frauds on the part of Sherman in weighing were matters that could not be detected in the custom-house by officers doing their duty there. Why not?—A. That was just the point I was coming at. If a prearrangement is made by an importer with a weigher who is kept upon one designated district, as they were previous to Mr. Cornell's coming there, so that the importer would know what weigher was to weigh his goods, he could have his invoice made out 10 per cent., 25 per cent., or 40 per cent., if you please, short, and the weigher would return weights corresponding with the invoice, and there was no way to detect the fraud except by some accident.

Q. Then that left a good deal of power in the hands of the weigher for collusion with the importer?—A. Yes, sir; I think the system of weighing goods in New York now should be abolished.

Q. You would substitute what? What could you substitute so that if the weigher did wrong you could detect it?—A. Allow me to give a reason. The port of New York has now nineteen weighers, and there are seventeen districts. Two weighers are specially assigned to the weighing of teas. The weigher weighs such goods as come within his specified district. For instance, on the East River, from pier 1 to pier 11, inclusive, all goods discharged there that are weighable are weighed by the weigher located in that district. In the very nature of things, he cannot do the actual weighing of goods, and does not weigh the goods, in fact.

Q. Why?—A. Simply because he may have fifteen ships discharging in his district at once, requiring the services of sixty men at one time to do that weighing. The most that he can have is an oversight, that is, a supervision of the weigher. There may be collusion between the importer or some employé of the importer with any clerk that the weigher has upon the dock, and without the knowledge of the weigher, and I have found in many instances that these collusions have occurred without the knowledge of the weigher. What should be substituted in its place is a sworn officer of the Government, regularly appointed at each beam, where the weight is taken. Those officers should be inspectors of customs, with all the power of a seizing officer, as frequently frauds will be discovered by a man at the time, by the weigher. For instance, a man imports an invoice of 100 boxes of soap, and it purports to be soap and it is weighed. The weigher in weighing it may possibly let a case fall, and it is broken open, and is found to be filled with perfumery; such a case has occurred. The officer should have the power of an inspector of customs. These officers should be subject to and be designated by a deputy surveyor. Of course the surveyor could not attend to them. These men should be inspectors of customs subject to designation by this deputy surveyor. Their designation should never be for any length of time in any one district. They should be subject to be sent elsewhere.

Q. So that there should not be any prearrangement?—A. So as to avoid all chance of prearrangement. In connection with this, all weighable goods, such as sugar, subject to duty by grade, paying a different rate of duty according to the grade, should be sampled by the weigher, and those samples should be carried to the surveyor's office, where the grading of that article should take place immediately and be placed upon the return made by the weigher. The same sampling that now goes on should still go on at the appraiser's department, and, if there was collusion in either branch, it would be detected by the other; because the return that is finally attached to the warehouse or consumption entry never meets the entry itself until after the grading and designation by the appraiser's department, where the two come together, thus shutting off all opportunity for any collusion on goods paying a specific duty. The whole thing is very simple, and should be adopted.

Q. Have you ever reported to the department these defects and these chances for fraud?—A. I have verbally, and have given my opinion. A short time since I was requested by the Secretary of the Treasury to look over the whole ground and see if some new system could not be devised.

Q. I do not know whether it would be agreeable to the committee, but if so, I would like to have you take time to make a careful statement of your views in reference to the revenue system.—A. I do not think that the ascertainment of duties should be left to haphazard men, picked up upon the dock by chance, as it must be under the present system, although the officer may be as honest as God's daylight, and yet great frauds take place.

Q. Still they did have opportunity of making arrangements—the weighers and importers. You spoke of a change; what change has been made?—A. The surveyor, at intervals of a few months, changes weighers from one district to another, and makes a new assignment all around, which leaves no man upon a district where he has been for any length of time.

Q. But these changes are not sufficiently frequent to effect the object?—A. A man would hardly enter into an arrangement of that kind, such as was the case with Mr. Sherman, if he knew the weigher was liable to be changed at any time, because he knew he would be subject to be caught upon any invoices that he had—

Q. When was that change made?—A. It was done very soon after Mr. Cornell became surveyor.

Q. Did you explain this to him?—A. Yes, sir.

Q. That does not reach the employés of the weigher—they are not changed?—A. That is fixed by law. The surveyor has no power to remedy that difficulty until you remedy the law.

Q. It would require a change in the law to have inspectors there in accordance with this system you speak of?—A. It would.

Q. In making your written statement, I would like to have you quote the law under which the weighing is done.—A. I will do so.

By Mr. BAYARD:

Q. Before you leave that subject of weighing, I would ask if it occurs to you that these officers are called United States weighers because they never weigh anything?—A. I think they very seldom do weigh anything.

Q. They personally do not do it?—A. They personally, I suppose, supervise or superintend the weighing done in the district.

Q. You have spoken of defects in the system of weighing, and I ask you whether I have not stated it very fairly?—A. I think the weigher very seldom weighs goods.

Q. Is not that the fact?—A. I suppose that is the undisputed fact.

Q. Are not the weights returned to the Government, and upon which duties are ascertained, taken by unsworn persons?—A. Certainly.

Q. Who have no responsibility to the Government themselves?—A. Certainly not.

Q. They are chance people picked up?—A. Such as the weigher, in his own discretion, selects.

Q. Did he never take any pains to verify the weights that he returns to the custom-house?—A. Yes, sir.

Q. What opportunity has he to verify weights that he doesn't take?—A. The great majority or bulk of the goods that come here, paying specific duties, are goods where he can tell what the weights may be pretty closely.

Q. A great many of the goods pay *ad valorem* duties and not specific duties?—A. Yes, sir.

By Mr. PRATT:

Q. How many piers do the weighers' districts extend over?—A. From three to thirty or forty; it depends upon the amount of work.

Q. That is the weigher's district?—A. Yes, sir. The first district, on the East River, is from one to eleven inclusive. When you get further up the river, where the large ships, Manila and the East India ships come in, the districts are only composed of three piers, I think. When you get up to the upper end, where there is but little business—

By Mr. BAYARD:

Q. What is the result of your investigation as to the weighers taking the foreign weights of packages without weighing them?—A. That practice, about the time I came here, was very extensive, but the present surveyor has broken that up, with the exception of a few kinds of goods, where it is almost immaterial.

Q. You found that practice did exist?—A. To a wonderful extent.

Q. Of returning foreign weights?—A. Yes, sir.

Q. You spoke of an arrangement between importers and weighers that the invoiced weights should be returned as the true weights?—A. Yes, sir.

Q. Those invoiced weights being false or reduced?—A. Yes, sir.

Q. You spoke of the fact that by changing the weigher you could break up the thing in advance?—A. Yes, sir.

Q. Could not such an arrangement take place instantly by handing to the weigher a list of the invoiced weights at the time the ships came in, and telling him to return that as the weights?—A. It could undoubtedly, assuming that every weigher who was approached could be dealt with in that way. I do not assume that.

Q. I mean to say that such an arrangement, if it does take place, could be done instantly?—A. Yes, sir.

Q. Not requiring prior arrangement of any kind whatever?—A. Certainly.

Q. I understand, in the case of G. S. Sherman, you were enabled to detect his fraud from a memorandum taken from one of his employés or laborers?—A. Yes, sir.

Q. Did that weigher actually weigh the goods?—A. Not at all, sir.

Q. Well, then, how could he tell the actual weight?—A. I suppose it wasn't necessary for him to tell the actual weight, as he returned such weights as were given him

by the importer. He may have known the actual weight by the returns returned to him by the employés.

Q. Was the fraud in that case that the goods were actually and truly weighed on the dock, or that the true returns were suppressed and the invoiced returns made to the custom-house by the weigher?—A. I have no doubt of it.

Q. That was the history of that.—A. That is what I believe to be the history from the documentary proof, as when I obtained the books of these importers I found that they had invoices that showed a different weight from the invoice that they had presented at the custom-house, and that that alone corresponded with the true invoice instead of the invoice at the custom-house, assuming that their entry was true.

Q. You say that that system has been going on ever since you have been in the custom-house?—A. Yes, sir; and long before.

Q. And going on in this way up to the present hour?—A. I don't know that.

Q. Pardon me; I was not through with my question—and that the persons returning the weights are the unsworn laborers selected by the weighers themselves?—A. They tally the weights from the beam and return them to the officer.

Q. They are the only persons who take the weights at all?—A. Yes, sir.

Q. And the United States officers rely upon a return of a set of unsworn men, to them unknown individually, for the return of the weights?—A. Yes, sir.

Q. Now, then, isn't it plain to you that the fraud is more apt to take place with these persons, who actually take the weight from the beam, than it is the weigher himself, who sees nothing of the operation, and, as I say, is called a weigher, because he does not weigh at all?—A. No, sir; I do not think it is more apt to take place, and I will give you my reason. An importer would doubtless scan the man with whom he was going to enter into a collusion, and if he was a totally irresponsible man, that had no character, he would be afraid that upon the first turn he would give him away. I think that that would be the only reason why a collusion would not more frequently take place with those individuals than with the weigher himself.

Q. As your business has been to look out for the defaults in the custom-house, and to watch closely and critically in that regard, I will ask you whether your suspicions against men have not been often raised from their mode of life—the expensiveness of their apparel, which was unfitted, apparently, to the duties they were performing?—A. I couldn't tell you exactly what my suspicions came from.

Q. I mean is that oftentimes a cause for suspicion?—A. I think not, very often, from the fact that men are very careful about those things; they know very well that that would be taken for evidence.

Q. Have you or have you not found among the class of men even employed as laborers, making these returns of weight to the weigher, and who receive the pay of laborers only—forty cents an hour while engaged—haven't you often found them in a condition of life, dressing in a manner and living at a rate, completely inconsistent with such returns of money?—A. Well, sir, my opportunities for knowing the manner in which they live is, perhaps, very much more limited than it would be of a man ordinarily, my means of navigation not being as good.

Q. You have been on the committee while this class of men have been examined?—A. Yes, sir.

Q. I will ask you, as an expert upon such subjects, and being accustomed to watch these irregularities, whether that fact has struck you in regard to some of the men who have appeared here as weighers' laborers?—A. I desire to give the most intelligent answer I can. I believe it is an admitted fact that in New York City there is a vast number of people unemployed who are capable of doing kinds of business which they can't get to do here in New York City. It has struck me that a great many men are engaged in that kind of work that are capable of other kinds of duty.

By Mr. STEWART:

Q. The question was, whether their dress and way of living corresponded with their duties?—A. The men who come here have, generally, put on their Sunday clothes—their best—and would probably make an appearance beyond their every-day appearance.

By Mr. PRATT:

Q. These weighers are paid salaries, I believe?—A. Yes, sir.

Q. Well, the foremen, weighers, and other laborers connected with the actual weighing of dutiable articles, are paid at the rate of 40 cents an hour?—A. The weigher, or weighmaster, is paid \$2,500 a year. All employés on the district are paid at the rate of 40 cents an hour.

Q. When I spoke of the weighmaster I meant the man at the beam receiving 40 cents an hour.—A. Yes, sir; they are all mere laborers.

Q. The person who actually takes the weight is spoken of as the weighmaster?

Mr. CASSERLY. No, sir; but as the make-weight.

By Mr. PRATT :

Q. That is what I meant. The point to which I want to call your attention to is this: Seeing these men who attend to these weights are paid by the hour, and do the actual work, what motive is there on their part to shirk from actually weighing the packages of a cargo, and, instead, taking the numbers from the casks and packages?—

A. I think, Mr. Senator, that if the wishes of the laborers were to be consulted, they would do as much work as possible and weigh all the goods, that is, if a strict supervision is kept over them, and a correct account of the time actually employed is kept.

By Mr. BAYARD :

Q. Which is a very large qualification?—A. It is one which seems necessary.

By Mr. PRATT :

Q. Who, then, controls their action and prevents them from actually weighing all the component parts of the cargo?—A. The weigher, I suppose, is entirely responsible for that. He is employed for that purpose.

Q. What motive has he? Is it economy to save to the Government the necessity of employing men to make the actual weight?—A. Each weigher, under the law, is allowed \$2,500 a year, if and provided the fees at a certain rate on the goods weighed by him amount to that sum. I suppose that it might occur to the weigher to reduce his expenses as much as possible compared with the fees upon the goods returned by him. There might be a motive in that way, to avoid that expense.

Q. His salary is conditional?—A. Yes, sir; but I think the condition in the law includes all weighers in the district.

By Mr. BAYARD :

Q. The salary has a maximum?—A. Yes, sir; it depends upon all the goods weighed.

By Mr. PRATT :

Q. A good deal has been testified by witnesses before the committee of improper conduct on the part of custom-house inspectors.

By Mr. CASSERLY :

Q. If you will allow me I would like to ask one question in regard to the weighers before we leave the subject. It is in testimony here that the weighers consider it as quite desirable to keep down the expenses of the districts, so as to make as good a showing as possible under that head, at each return. Is not that an inducement which might operate to prevent their weighing anything actually that they could avoid?—A. It might, but I think that the condition placed in the law could never operate at this port, because the maximum amount weighed would far exceed, at the rate allowed, the fees or salaries of the nineteen weighers.

Q. You are speaking now of the conditions in regard to the salary of the weigher himself?—A. Yes, sir.

Q. You say the provision requiring that the fees shall equal that amount before he shall receive it is practically inoperative, because they cannot fall below that amount?—A. It cannot happen, unless one-half of the importations will fall off.

Q. Which will never happen?—A. No, sir.

Q. Or, I should say, never would happen?—A. No, sir.

By Mr. PRATT :

Q. What motive would he have in making the returns of a cargo without actually weighing it?—A. Nothing that I can see except the comparison that might be instituted between him and his fellow-laborers with regard to the percentage of the cost compared to the fees, and that, allow me to say, would be no fair criterion. Upon some districts the expense must of necessity be twice as much, compared with the fees, as on other districts, on account of the nature of the weighing in the different districts. Take upon a sugar district, where a man weighs over 25,000,000 pounds per month, and all large packages and large invoices, the rate of expenses would be very low compared with the district that was scattered over a great deal of territory with merely small invoices, and weighing goods which chanced upon the district.

By Mr. CASSERLY :

Q. You stated that frauds in weight by the United States weigher were of such a character that they would not be detected by an officer of the custom-house in the discharge of his legitimate duties?—A. I mean inside the custom-house.

Q. That is what I mean, also; I said in the custom-house. Is that correct?—A. Yes, sir.

Q. You stated, also, that one indication of fraud in weights by the United States was that such weights did not vary materially from the invoiced weights?—A. Yes, sir.

Q. Let me ask you, sir, why it is that such an indication of fraud would not be

open to detection by some official in the custom-house?—A. From the simple fact that a liquidating clerk, in making his liquidations of these entries, never brings a large number of entries of the importer before him at the same time, and it is a thing that might occur with any one without fraud; but when a large number of entries are taken up together, and it runs right along so that a great number of them showed the exact figures upon the invoice and entry—that the return contained the exact figures to a pound, and where they varied it was very slightly, and they were substantially the same, a person taking them up together would discover it.

Q. Now, what officer or officers in the custom-house have the weigher's return of weights, and the weights as specified in the invoice in his possession at the same time?—A. What different officers?

Q. What officer or officers was my question.—A. Has the invoice, entry, and weight of the weigher; is that your question?

Q. I will state it again. What officer or officers are there within the custom-house who have the weigher's return of weights, and the weights as stated in the invoice in his hands at the same time, so as to be able to make a comparison?—A. The liquidating clerk, sir.

Q. Any other officer?—A. I think not, sir.

Q. To what officer of the custom-house does the United States weigher make his return of weights?—A. He makes three copies of weights that go to the custom-house, and I will explain them as I go along. One is the dock-book. For instance, where a ship is discharging from two or three hatchways at the same time, and the goods coming out rapidly, there will be perhaps from three to five gangs of men weighing the goods from the same ship. When the goods from that ship are all weighed, one book containing the weights of each importation by that ship is made out, which is supposed to be an exact copy of the dock-book, which gets dirty on the dock. The copy of each permit is written on the front of the book, and the weights of the goods, with their weights and numbers, are put back of the permits on the dock-book. That is returned to the surveyor's office. A copy of each importation and a copy of each permit is made to the collector's office.

Q. You mean a return is made?—A. Yes, sir; a return. That return does not show the weights in detail, by draughts, as in the surveyor's office, but it shows the aggregate, the gross, tare, and the net. That goes to the collector's office.

Q. Where is that done?—A. Those returns are made out in the weigher's office, by the weigher.

Q. Where?—A. At his office; they are brought by him to the custom-house. If the goods are bonded goods, then it goes to the third division, or bonded department, where the return is attached to the entry. If it is in the duty-paid department it goes there; there will be a bundle of returns, sixty or seventy—just as many as there are importations of weighable goods by a ship that will be brought in by the weigher and distributed in the two different places. Then he makes out a return of all these importations.

Q. Are you speaking of the weigher?—A. Yes, sir; he makes out another return of all the importations together, which goes to the naval officer. So that there are three returns made by the weigher, and they are all supposed to agree.

Q. In which one of these returns does the weight of each invoice appear distinctly?—A. It appears upon the one in the surveyor's office distinctly. Each separate one and each separate return shows the weight of the particular invoice, when it comes to the collector's office. They are separate. They are attached to the entry in the liquidating department.

Q. Then there are two returns. One made at the collector's office, which afterward goes to the liquidating department?—A. Yes, sir.

Q. And another made to the surveyor's office?—A. Yes, sir; and also one to the naval office; that is made of the whole importation of the ship that is weighable.

Q. I would like to get along with the point I have in my mind, without going on to anything else. I understand you to say there are two returns, one of which is made to the collector's office, which afterward goes to the liquidating clerk, and the other is made to the surveyor's office, and each of which returns states the weight of each invoice.—A. Yes, sir.

Q. Is there any other return which so states the weight?—A. Yes, sir; one to the naval office.

Q. That is of the same character?—A. Yes, sir; of the same character as the dock-book, only it simply states the results—the gross, tare, and net, and not in detail.

Q. Of each invoice?—A. Of each importation.

Q. Of each invoice?—A. Yes, sir; as imported by each importer.

Q. You say that the liquidating clerk is one officer who has at the same time before him the invoiced weight, and the weight as returned by the United States weigher?—A. Yes, sir.

Q. Is there any other officer who has that opportunity?—A. The liquidating clerk in the collector's office and the naval office.

Q. The liquidating clerk in each office has that opportunity?—A. Yes, sir. The form in which the liquidations are made—if the entry is first taken up in the collector's office—the liquidating clerk in the collector's office makes his liquidation, and that goes to the naval office, where it is compared with the return and entry there, and it is checked by the liquidating clerk in the naval office, and then when the naval office clerk has liquidated, his entry goes back to the collector's office, where it is checked by the liquidating on the same letters in the collector's office. The liquidating clerks are instructed to liquidate entries by letters, for instance from A to D, and then on in the different liquidating departments.

Q. May the liquidations arise with clerks in either office?—A. I think so.

Q. But wherever it originates it has to go to the clerk in the other office for comparison?—A. Yes, sir.

Q. Are those the only officers you can think of who have the opportunity, at the same time under their eye the invoice weight and the weight as returned by the United States weigher?—A. They are the only persons, up to the time of the liquidation of the entry. When the goods come to be withdrawn from warehouse, then the importer has to make an entry for withdrawal of the goods. The weight of his withdrawals must compare with the weights that went into the warehouse.

Q. With the weight as entered?—A. Yes, sir; but if the weigher's return has been attached and the liquidation takes place, I suppose they would not look for the weigher's return, but take the figures that the liquidating clerk had made upon the face of the entry, as the figures upon the weigher's return are copied with red ink upon the face of the entry.

Q. When there is an entry for withdrawal made, what clerk has charge of the papers then?—A. They are called withdrawal clerks; they are a separate set of clerks.

Q. Does that clerk have before him the weigher's return of the weights and the invoiced statements of the weights, the same as the liquidating clerk had previously?—A. I presume not, until the final withdrawal of the last package.

Q. He has them then?—A. I suppose so, in order to close the withdrawal; because upon the last withdrawal is figured out the amount of duty paid upon each previous withdrawal, with the balance due the Government or the importer upon the bonded amount.

Q. Does that complete the list of officers in the custom-house who have the opportunity of seeing at the same time and comparing the invoice weights with the weights as stated by the United States weigher?—A. It does from the point where the weighers return the goods. Previous to that there is an entry clerk. There is another class of frauds that takes place there. A merchant in making a return of merchandise imported by him, through his broker, or he does himself, make an entry of those goods which states the quantity, marks, numbers, cases or packages, whatever they may be—if they are goods paying specific duty, with their estimated duty on the invoice. The law requires that the weights of all goods paying specific duties shall be made out on the invoice, in the weights and measures of the country from which the goods are imported.

Q. On the original entry?—A. On the original invoice.

Q. Which comes with the entry?—A. Yes, sir.

Q. Of which you are now speaking?—A. Yes, sir. He may make a false transmutation of these weights from the originals into our weights; for instance, such goods as coffee, which comes from Rio de Janeiro, where they use the Brazilian weights, or the Portuguese weights. The *aroba* there is thirty-two pounds and a fraction. He may, in transmuting the weights of these *arobas* into our own *avoirdupois*, transmute them as though they were Spanish *arobas*, which are twenty-five pounds and a fraction; and the entry-clerk may pass that without discovering it. It is the entry-clerk's business to see that the entry is properly made. Now, if collusion takes place with the weigher, that is a mistake which would be very apt to pass the entry-clerk unnoticed. It goes to the weigher, and the weigher returns those goods as though they were Spanish *arobas*. On each bag of coffee there would be three pounds saved to the merchant—the duty on that amount. What the liquidating clerk is guided by, is the weigher's return and the entry with it. He is not supposed to enter into all the computations of that entry. The fraud takes place back of the liquidating clerk. In the case of any goods coming from Calcutta, the invoices are made on the basis of the weights of that country, which are eighty-two pounds and a fraction, and they may be entered as factory weights, which are ten pound less.

Q. One illustration is as good as a dozen in that respect.—A. Pickles will vary from one hundred and twenty-five to one hundred and thirty-nine pounds.

Q. But in that case also, the exact coincidence of the weigher's weights with the invoice weights would have the same character, as an indication, precisely, as in any other case, wouldn't it—wouldn't the exact coincidence attract attention?—A. Allow me to correct your question, and I will tell you all you want to know.

Q. I thought my question very plain.—A. The invoiced weights may be correct, but the weights as transmuted on the entry wrong, and the coincidence of the weigh-

er's return then with the weights that were transmuted on the entry would show the collusion and the fraud.

Q. But the entry would have such a weight as the true weight?—A. The answer of the foreign weights might be stated correctly.

Q. But wouldn't that turn out to be the same weight returned by the weigher?—A. The foreign weights falsely transmuted, taking the wrong one, would turn out to be the same one returned by the weigher in case the fraud took place. In case the fraud didn't take place, it would correspond with the true one.

Q. Well, take it either way. Isn't the exact coincidence of the weights between the merchant's invoice, as entered by him, and the weights returned by the weigher, all equally significant in that case, according to your theory?—A. Yes, sir; I think so.

Q. Now, how is it that you maintain here that the indications of fraud arising from the exact coincidence of the invoice weight with the weight as returned by the weigher are not of such a character as to be detected by an officer within the custom-house engaged in his legitimate duties. As I understand you, you have stated no less than three or four officers in different departments of the custom-house who have an opportunity to have before them at the same time the invoiced weights and the weights as returned by the weigher?—A. It would be only an indication of fraud where the invoice had been a fraudulent one, and the officer within the custom-house, having but one of these invoices and returns coming before him at one time, would not be apt to notice the fact of the weight being so nearly the same as that in the invoice; but when taken collectively, taking a number of entries and invoices together, and finding that the weigher's return compared almost exactly with the weights as stated by the importer in his invoice and entry, will be a very strong indication of fraud. I find it very unerring.

Q. Such a concurrence of coincidences of weight respecting the same importer must be significant?—A. Yes, sir.

Q. I will ask you now why it is that such a state of facts as you have described ought not to strike a clerk who is faithful and attentive in the discharge of his duties?—A. I think I will make myself clear, Senator. It is because the clerk, in liquidating that entry, has but one entry of that importer before him; and the fact that the weights returned by the weigher corresponded exactly with the entry might not attract his attention, as that might occur with an importer who is perfectly honest. It might occur in a great many instances, but it would not occur uniformly. It would not be a uniform occurrence.

Q. My question is, do you mean to say that a clerk in the custom-house, observing from day to day that many times in a week, or many times in a month, a coincidence of the weights between the invoice and the United States weigher occurring always in relation to the same importer, is negligent or otherwise who fails to notice it?—A. If it attracted his attention, which I think it would not be apt to do, as importers would have, perhaps, only two importations a month, or one a month, and a clerk would not be apt to remember, when finding but one return compared with the entry to which it was attached, and he would not be apt to remember that the one of the last importer corresponded in the same way.

Q. Why do you suppose a case of only two importations a month; doesn't it happen frequently that the same importer has many importations in a month?—A. A. That frequently happens, but it hasn't happened in the cases where I have traced that kind of collusion.

By Mr. STEWART:

Q. We will pass from the subject of weighing now.—A. [Interrupting.] Allow me to state, before passing that, that there is another kind of fraud which frequently occurs. I don't know but what I am using the wrong word in saying "frequently," but I will say sometimes occurs. The importer fails to state in his invoice the foreign weight of his goods, which is a very significant fact when found. I have found in cases where collusion occurred that there was no actual weight stated in the invoice.

By Mr. BAYARD:

Q. How do they compute the cost?—A. Per bale or per package.

By Mr. PRATT:

Q. In making his entries, does he not have to swear to the contents of the invoice and the value of the articles therein contained?—A. Yes, sir.

By Mr. CASSERLY:

Q. You mean the merchants compute the value of the goods as so much per bale or per package?—A. Yes, sir; he fails to comply with the law, which requires a statement of the foreign weights or measure in his invoice.

Q. Does not his oath, when he comes to make his entry at the custom-house, supply that defect?—A. The oath taken at the custom-house applies to the values. The law requires that he shall state, in goods requiring specific duty, the quantity of the weight

and measure from the country from which it was exported, but the oath does not state in terms, I think, that that is the true weight of the goods; I think it should.

Q. He is required to swear that he has purchased these goods from the manufacturer and the price he paid the manufacturer, is he not?—A. Yes, sir; but he is not required to state that his invoice and entry are true in all respects. He may of having stated in the invoice, which of itself, if no fraud followed, sufficient to forfeit his goods; but if fraud did follow, it would be one of the circumstances that would be taken into account. I suppose any omission on the part of an importer, if no fraud follows, would not be taken as sufficient for forfeiture, or be construed into such a violation of the revenue as to impose a penalty.

Q. As between the invoice and the weigher's return, what variance of weights do you regard as sufficient to exclude a presumption of fraud?—A. Well, that depends, sir, very much upon the kind of goods, where imported from, and the circumstances attending those particular goods.

Q. Now, just stop there and see if my question will not be of use to you. Assume a case, and state what percentage of variance of weight in that case would be sufficient.—A. Take the article of coffee—it will seldom vary 2 per cent., unless the goods are wet, in which case there would be an allowance made by the appraiser, as being damaged. If it was tobacco, coming from Cuba, it would depend very much upon the part of the ship in which the tobacco was stowed, coming from there here. It might gain 1 or 2 per cent., or it might lose 1 or 2 per cent. It might vary even 3 per cent., and there would be no fraud. It would depend very much upon the condition in which the goods were weighed when put up, and when weighed here for the ascertainable duty.

Q. Those circumstances are all very accidental, are they not; the places of stowage, for instance?—A. Of course; but a man importing six or eight importations of the same kind of goods stowed haphazard in a ship, if each invoice was 30,470, and each weigher's return does not vary the sixteenth of 1 per cent. from that, which would look very suspicious, from the fact that these goods would naturally vary more or less.

Q. What margin of coincidence would you allow for excluding fraud in the case of tobacco, for instance?—A. Well, not over 4 or 5 per cent.

Q. In the case of tobacco, I understand you to say that a coincidence of 4 or 5 per cent. would not be significant of fraud?—A. I think not.

Q. Standing by itself?—A. Yes, sir; unless the tobacco had got wet in coming, in which case there would be a damageable appraisement upon it.

Q. I speak of the merchantable article all through?—A. Yes, sir, I so understand you; I should think it might vary 5 per cent. over or under—2½ per cent. either way.

By Mr. STEWART:

Q. Now, I want to know, if you know anything about this matter of refund for damages?—A. I do know something about it.

Q. You have looked into that matter?—A. Yes, sir.

Q. Can you give us some light on that matter?—A. Refunds made for damage allowances are very uncertain, I think, and very unsatisfactory. The true remedy, as I believe, is the one that was suggested by the Senator from California, in a question that I heard him ask a witness here.

Q. What is it?—A. I think that is the English system, that where a large percentage of damage is claimed upon goods, or when even a small percentage is claimed, the importer should always be subject to this contingency, of having the Government take the goods at the value claimed by the importer. I found one case in my examinations where there had been false weights returned upon goods of some 60,000 pounds, and I found that the damage allowance for about 70,000 had been allowed, which made over \$10,000 difference in the duty. Yet upon the sale of those goods, which it was necessary for me to trace through the books of the importer, I found he had sold only three or four hundred boxes as stained, and it made only about \$325 difference in the amount he had received for the goods from the sound price at which he had sold those sold at the highest rates. Evidently the goods had been damaged. In the appraisement of damage, the merchant has to make application within ten days from the time the goods are landed. The damage examiners from the appraiser's department make their examination and their award, which is confirmed by the assistant appraiser, and then by the appraiser. If, however, that is not satisfactory to the merchant, he can appeal from that award any time within ten days, I think, and call for merchant experts. The collector can appeal in the same manner, and has the same right of appeal that the merchant has, and to call for merchant experts, but in the very nature of things, in a port like New York, the attention of the collector would be seldom, if ever, called to that damage award, as it would not be made up in the liquidating department until after the time had expired for an appeal. The amount that goods are damaged is a mere matter of opinion. It can't be measured by any standard of weight or measure of any kind; it is a mere matter of opinion. The amount of allowances that was heretofore given for damages, I believe, was at least four times the amount that should have been awarded for damages. That was corrected, in a great measure, by the talk it has raised,

I think that no damage allowance should be made for goods, but that the remedy is contained in the suggestion made by the Senator.

Q. I want to ask you this: Suppose an officer in the damage department, in the re-appraisement, is really in collusion, what means have you, from the fact, of detecting it, it being merely a matter of opinion?—A. Well, very little indeed, unless you can get one of the parties to the collusion to state it; unless you can prove that absolute collusion has taken place, there is no remedy in case of excessive damage allowance.

Q. Even if the goods are sold as sound?—A. It would not be, in law, a sufficient ground for forfeiture.

Q. It being entirely in the opinion of the examiner?—A. It being entirely a matter of opinion.

Q. There is a chance for him to say that he was honestly deceived?—A. Certainly.

Q. I see the difficulty about that. Have you caught anybody defrauding the Government through that absolutely, so that you could put your hand upon him?—A. In no case where I could prove the collusion.

Q. The difficulty being that it was a matter of discretion?—A. A matter entirely in the discretion of the examiners awarding the damage.

Q. Have you any idea of the amount that is refunded for damage per annum?—A. I have not, but it is a matter that can be easily ascertained, because it is all footed up. I have found this fact in these examinations that I have made here in New York—that up to about two years ago, and I think even after that for a time, when the difficulty seems to have been in a great measure remedied, that goods, upon which a damage award had been allowed, would bring, invariably, a higher price in bond than goods that were not damaged; that purchasers sought damaged cargoes and invoices in buying, as the difference in the goods would make much more than the difference in the value. It simply proves that more rebate was allowed than was proper.

Q. You say that invoice of goods, where there is a damage allowance, will sell higher than where they are sound?—A. Goods are frequently sold upon arrival, and the contract under which they are sold is, that the appraiser takes the goods in bond, with the benefit of all damage allowances—of all custom-house allowances.

Q. That is before they arrive?—A. That is before they are discharged—before the papers have been made out.

Q. And goods, where I understand you there is no chance to make a claim for damage, will not sell so well by the invoice as those— A. [Interrupting.] I have, in tracing importations of that kind, found that those goods upon which a damage was claimed, and in anticipation, no doubt, of getting an excessive damage allowance, they might get a higher price than though the goods had been sound. I have no doubt that thing has occurred frequently.

Q. You stated there had been efforts made to remedy some difficulty; what was that?—A. Well, it grew out of these examinations of books which showed the prices at which these damaged goods had been sold. I had frequent talks with General Palmer about this while he was appraiser, and I think that the matter, during his administration, was in part remedied. I think that the general talk and the information that was being obtained in this way tended to put those who had awarded excessive damages on the look-out, and it served, also, to get a number of them out of the service.

Q. It did get a number of them out of the service?—A. Yes, sir; they were removed.

Q. Your remedy for that is to change the law?—A. And the further fact, that upon the books of merchants who had received large damage allowances, had loaned money to the damage examiners.

By Mr. CASSERLY:

Q. In speaking of the prices obtained in the market for damaged goods as compared with the prices obtained for the same quality of goods in a merchantable condition, you don't mean to say that the damaged goods sold absolutely for a higher price than the merchantable goods, do you?—A. Not in the market, but to the purchaser who bought them in bond, he having the duty to pay, and getting the benefit of whatever return was made.

Q. What you mean to say is simply this, isn't it: that the chances of obtaining a larger allowance for damage, and a consequent reduction of duty, were so regarded as to induce persons to pay a higher price, in proportion, for goods under a pending claim for damage?—A. What I mean to say is even more than that. I mean to say that two importations of equal quantity, and apparently equal value, one upon which the claim had been made would bring a higher price than the one upon which no claim for damages could be made—that is, to the men who bought them in bulk; that he could sell them for more than when sold to regular customers, but the difference in duty he would have to make would more than make the difference in actual value.

Q. The advantage you speak of is in the chance of paying less duty than he should have been compelled to pay?—A. Yes, sir; that is it.

By Mr. STEWART:

Q. Do you know a man by the name of Davis, a custom-house broker?—A. I do, sir.

Q. Have you ever been about passengers arriving from abroad, or do you know anything about that business?—A. Very little.

Q. Do you know anything about this man in connection with it?—A. Yes, sir.

Q. Give us your observations in connection with the matter.—A. I know very little about that. I understood that he had a line from Mr. Terwilliger, permitting him to go upon the dock when they were examining baggage; that it came to the knowledge of the surveyor, and that he ordered his deputies and the men serving under him to keep him off the dock.

Q. How much do you know about it; have you ever investigated it?—A. No, sir.

Q. I would like to get at that.—A. I know the man.

Q. You have never made it your business to go about the dock where there were passengers disembarking?—A. No, sir. I think I have never been present when the passengers were discharged but from two different steamers.

Q. What is the business of this man, Davis?—A. A custom-house broker, as I understand.

Q. Have you come in contact with him in any of your investigations; has he had anything to do with any matters you have investigated?—A. I came into possession of some letters written by him to an importer, and by an importer to him, in which it appeared that he had smuggled cigars, sent to him from Cuba.

By Mr. CASSERLY:

Q. Sent to whom?—A. To Mr. Davis; and they were captured by the custom-house officers. He was finding fault with them about it in his letters.

By Mr. STEWART:

Q. Finding fault with the custom-house officers for having captured him?—A. Finding fault that his cigars were captured by the custom-house.

Q. Who was finding fault?—A. Davis, in his letters.

Q. In his letters to the importer?—A. Yes, sir. The importer, at the time of this correspondence between Davis and the importer, was in Cuba, and had sent the cigars to Davis here, and they had been captured and seized by the custom-house officers, and Davis had written back to the importer, telling him this, and telling him how to send the next, to try and evade them.

Q. Have you got that letter?—it would be a curiosity.—A. I haven't it; it was a letter that I had no right to keep.

By Mr. CASSERLY:

Q. How did you get hold of it?—A. It was in a book of correspondence, I believe, of an importer whose books and papers I seized.

Q. Was the importer in the business of importing cigars?—A. No, sir; not ostensibly, and the importer, so far as I know, may have been innocent of Davis's intention to smuggle them in.

By Mr. PRATT:

Q. You stated that your authority extended to the supervision of custom-house officers. A good deal has been testified to, before the committee, of improper conduct on the part of custom-house inspectors. It is conceded that these improprieties are a matter of general notoriety. I wish to inquire of you as to what your opinion is of this class of custom-house officers receiving bribes or gratuities from passengers or from importers, or those having general-order business, or from any other class of persons.—A. I never heard of an inspector taking a bribe from general-order people. I never heard that question brought up until it was brought up before this committee; I have heard of inspectors taking bribes, and have reported them for it.

Q. From whom were the bribes sought to be taken?—A. From persons importing goods. I suppose in all cases where an inspector has taken a bribe, some one has paid it.

Q. Well, what were they required or expected to do, in consequence of the bribe paid to the inspectors by the importers?—A. Well, sometimes to pass goods from a ship that they were assigned the charge of; sometimes to pass baggage brought in by persons coming into the country. There has been, also, quite a number of instances, I suppose, that a bribe was paid, by the fact of goods being passed from the ship. I supposed something to have been paid, by the fact of goods coming from the ship that were not on the manifest and that were not permitted. There were a number of such cases a year ago last winter, where we seized goods after they had come off the ship, or just after they had passed, and sometimes before.

By Mr. CASSERLY:

Q. That was a case on the manifest not permitted?—A. Neither on the manifest nor

on the permit. There were several cases of that kind where I obtained information that the goods had come off or were to come off; I reported them to the surveyor, and he sent officers to seize the goods.

By the CHAIRMAN:

Q. Name the ships they were on.—A. One was the ship John Bertrand, one was the Shakespear, one was the Queen, and one was the Doctor Barth.

Q. All belonging to a regular line of ships?—A. Most of them belong to one line, I think.

Q. What line was that?—A. They are a line of sailing ships; they are North German ships. I don't know the name of the line.

By Mr. CASSERLY:

Q. Are those vessels all in the same line that you have mentioned?—A. I think so; I am not certain about that.

Q. Any other ship?—A. I don't recollect of any now; I know there were more than that.

By Mr. PRATT:

Q. What has been done with the inspectors where it has been traced to them that they were guilty of receiving bribes?—A. Removed, sir.

Q. How many removals of that kind have been made, sir, since you were Treasury agent?—A. Quite a number, sir; I reported a number of men to Mr. Grinnell, and a number to Mr. Murphy, I think; I think they were removed right off.

Q. What is your belief in respect to the charge of inspectors receiving bribes?—A. Well, sir, I think they are just as honest as any other class of officers; they are men; they are all men.

Q. Are you acquainted with Mr. Vanbuskirk?—A. I am somewhat acquainted with him; I have seen him a great many times.

Q. He is really nothing but an inspector?—A. He is the senior inspector, having charge of the barge office.

Q. Something was said by one witness of his having received from the German line of steamships packages of liquors and other presents; what do you know of those charges?—A. I know nothing of it, sir. I know he is an old man, between eighty and ninety years of age.

Q. A man of temperate habits?—A. I should think so, sir.

Q. What is his standing and character in the community?—A. I never heard it impeached.

Mr. CASSERLY. With the consent of the committee, I desire to make a motion, and desire to state that it will be remembered by the committee that when Deputy Collector Clark was before us as a witness, he was requested to furnish, by Senator Bayard, a statement and results of all cases of seizure where the value of the property was over five hundred dollars. He was also directed by the committee to furnish, on my motion, a similar statement with regard to seizures where the value did not reach five hundred dollars. I find, on inquiry of the secretary, that the latter statement has not been received, and I move, therefore, that Mr. Clark, the deputy collector, be requested to furnish a statement of the seizures under five hundred dollars in value.

It was so ordered.

By Mr. BAYARD:

Q. In your statement made to the committee of the number of suits that had been instituted, in thirty-three of which you had obtained a warrant for the seizure of the books and papers of the parties—A. There were not suits in thirty-three cases where books and papers had been seized, but in thirty.

Q. Now, what I mean is, that the results in those thirty-two cases, made at your instance, were the sums of money you have given us?—A. Yes, sir; there are quite a number of suits pending and that were not disposed of. That is the result of those disposed of.

Q. I understand you to say that twenty-eight suits were closed?—A. Yes, sir.

Q. And those suits have resulted in the sum of \$636,787.38?—A. I think that is accurate.

Q. That includes the suits instituted at your instances, and of which you have personal knowledge?—A. Yes, sir.

Q. Do these suits include any other actions or proceedings by other informers or agents?—A. In one case, I think, another special agent went on the paper, as an informer with me.

Q. But have you included, for instance, Mr. Howe and his staff of officers?—A. Not at all.

Q. Or Mr. Kirk?—A. No, sir; his name may have been on the papers with me.

Q. Or Mr. Sidney Clark?—A. No, sir.

Q. You personally have been concerned in all these cases?—A. Yes, sir. I can give

you a statement of all the cases that occurred in 1870 and 1871; the total amount collected for suits in value.

Q. The amount of suits, *in personam*?—A. In 1870 it was \$414,046.57; in 1871, \$381,463.95.

By Mr. PRATT:

Q. Does this represent the amounts of the judgment, or the amount collected?—A. The actual amount of collections paid in.

By Mr. BAYARD:

Q. Where did you get that from?—A. The auditor's books.

Q. It was paid into the registry of the Treasury?—A. This is the amount paid into the registry of the courts, before costs are deducted.

Q. Then there is a great deal from seizures that does not go into the court at all in suits *in personam*?—A. The total amount from suits, *in rem*, in 1870, was \$120,844.04; in 1871 it was \$102,813.90.

Q. All of these sums were subjected to the claim of moiety?—A. Those suits that were *in rem*, where the goods were forfeited, the duties were taken out before they were paid as forfeitures. The duty is taken out first—the duty and the costs.

Q. You say that is the case, when?—A. In all suits *in rem*, where it is a forfeiture.

Q. What do you mean to do else, when you proceed *in rem*, than to forfeit the goods?—A. A suit *in rem* is a suit for forfeiture, but the authorities may refuse to accept a bond. The importer has a right to give bonds for the value of the goods and take the goods, but the custom-house authorities may first demand that he shall pay the amount of duties actually due the Government before giving that bond, and give the bond exclusive of duties, in which case the duties are secured by actual payment on the penal bond that the merchant has given, if it was a case of collusion, and then the suit be only for the value, less the duty. It is a sure way of getting the duties for the Government.

Q. For instance, when I find, in the sales, under the title of the gross proceeds of sales, in the list furnished by the deputy collector, Mr. Clark, there is a proceeding *in rem*, United States *vs.* Ninety Quarter-casks of Sherry Wine, in which a judgment was recovered of \$5,750; that was the proceeds of a sale, a proceeding *in rem*. The docket-costs were \$260.75; that is, the court costs and expenses. The net proceeds were \$5,489.25, which was divided between the United States and the three officers entitled to it, but the Government did not get a cent of duty?—A. I would suppose in that case, if that is the record—

Q. You say, if it is the record. I am reading from the record here. I will read you another case. Here is a case on the 22d of October, 1868, of 6,600 cigars. They were sold for \$412.50; the court costs were \$109.58; what they call the net proceeds is \$303.93, which was divided between the informer, the naval officer, and the surveyor, and the Government got no duties at all on those cigars?

Mr. PRATT. No moiety?

Mr. BAYARD. Yes; but no distinct duties.

The WITNESS. The duties should go out first.

By Mr. BAYARD:

Q. The record I am reading is the one furnished by Mr. Clark, the deputy collector on my application—an abstract of the fines, forfeitures, and penalties received from the 1st of March, 1869, until January 1, 1871.—A. If the Senator will allow me—if you read the whole of the record, I would suppose that a bond had been taken after the duty had been paid.

Q. Please to read that yourself. [Handing statement to witness.]—A. I mean if they have furnished the whole record.

Q. I take it for granted that Deputy Collector Clark, after the order of the committee, would not furnish it with an improper record. Here I find some cases, one of which is 40¹/₅ boxes of cigars, libelled; the proceeds of the sale were \$765; the costs and expenses of the court were \$134.40; the duties were \$406.65; they were deducted as they should be, leaving a balance of \$223.95, which was divided between the Government, who gets a moiety, the informer, the collector, the naval officer, and the surveyor, according to law; but I find, in many and very large cases, not in suits *in personam* but of suits or libels *in rem*, where the proceeds of the sale of the goods is rendered, that the Government has no lien for duties whatever. How is that to be explained?—A. I know of no case where the libel is against dutiable goods, if the value is over \$500, where the duty should not be first deducted. There is no duty taken out where it is less than \$500. There is a law for that.

Q. Where the value of the goods is under \$500, the Government gets no duties at all, but the gross amount is divided among the officers who are entitled to it?—A. That is the law. If the Senator will allow me, I will state that all seizures of cigars and liquors, where they pay high rate of duty, almost the entire rate is taken up by the

duties, and that it very frequently occurs that a very valuable seizure is made, and the entire proceeds goes to the Government for duties; there is nothing left to be divided.

Q. Can you explain that?—A. The only explanation I could give to the case, such as the Senator read, would be that the bond had been taken after the duties had been secured; that the merchant had secured the duties, and given a bond and taken the goods into his actual custody and given satisfactory sureties.

Q. Please to explain that. I find here an entry of libel—The United States *vs.* A Bale of Woolens, where the gross proceeds of the sale were \$1,057; the expenses, \$101.19; the duties were stated to have been paid on entry in this case, and there was a balance of \$979.81, which was divided between the informer and the three other officers.—A. I can explain that to the Senator. A case of that kind is where some fraud has occurred in the importation of the goods which forfeits them, where they have been actually entered and duties paid. The goods were forfeited after having paid duties, and the entry being closed, was final as against the Government and against the importer, but which has in that case, although a suit *in rem*, paid his penalty under the law. That will, probably, explain each of these cases.

A. Well, it may be considered an explanation by you. I find a great many cases, all the cases, indeed, where the gross proceeds of the sale are not above \$500, that the Government never gets a cent of duty.—A. That is so, by law.

Q. And therefore the moiety of the informer and the three custom-house officers—the collector, surveyor, and naval officer—is taken clear out of the Government share of duties. But here is a case, for instance, of seventy-three casks of sherry wine, which were valued at \$2,750; the court expenses were \$155.75; there wasn't a penny paid for duties on that wine; \$2,594.25 was the net balance; and while the informer, who is here, Mr. Farwell, received \$448.56, the Government hadn't a cent given it for its duties on that invoice.—A. In those cases of the sherry wines, I think the goods had all been entered at the custom-house at a wrong appraisement or classification, and had paid their duty, and the classification had taken place previous to the seizure.

Q. I will ask you whether, in your compromises and settlements with merchants under charge of violation of the revenue, you have not frequently included in the settlement a free permit for the goods to the merchant.—A. Never in a case that I have had, and, I think, in no case since I have been in the custom-house. I heard that such cases had occurred previous to the present administration.

Q. One case has been testified to before us on that subject.—A. That occurred in 1865, I think.

By the CHAIRMAN:

Q. In the cases of the sherry wine referred to, would not that be a fraud against the Government, unless the duty had been paid before?—A. I can explain that whole thing to the Senator in one sentence. In all cases where the goods have actually been entered at the custom-house and duties paid, although those duties were much less than they should have been, and that entry has been liquidated, that liquidation is final, and the only penalty that could be enforced upon the importer is in the form of a penalty for the fraud committed in that transaction.

By Mr BAYARD:

Q. You say that the liquidation is so final that the Government cannot open it to get its duties?—A. The fault, if any, is in the law, but after the deduction the law wouldn't get anything.

Q. We will come to that presently, after all the testimony is in. In the year 1870 there was a libel against eight cases of leather gloves, and there was not a cent of duty paid to the Government, and the informer then, Mr. Kirk, got \$950, and a like sum was paid to the collector, naval officer, and the surveyor. This is what I find to be the history of this record, so far as I have had the opportunity of examining it.—A. Such, then, is undoubtedly the fact, where duties have been paid at the time of the entry of the goods.

Q. I have asked you to explain that fact, because there are some places where the payment on entry is recorded. That is distinct. In all the cases I have read to you there has been no payment at any time, and the goods had passed into general consumption without paying any duty at all.—A. I would suggest to the Senator that he can very soon verify the fact whether duties have been paid in those cases by calling for the entry of those goods at the custom-house, which will show what has been done.

Q. The record shows in each case where they were paid on entry that it has been done; therefore, in cases where it does not show that, I presume it was not done. I understand you further to say that in all cases *in personam*, without exception, where a sum is taken in settlement by a confession of judgment or otherwise, there is no lien of duties whatever to the Government?—A. None under the law.

Q. When you say under the law you mean under the system as it exists?—A. I would say to the Senator that I have never had anything to do with that; I have never asked anybody to make a record, one way or the other.

Q. You have simply taken your one-fourth?—A. Yes, sir.

Q. In that one-fourth you have gotten one-fourth of the duties that would have been paid to the Government had not the goods passed into consumption?—A. Undoubtedly.

Q. That is so?—A. One-fourth of the duties, less the cost.

Q. All that the Government has lost, and you have gotten one-fourth of its duties in that way. I am not speaking of its being illegal at all, but of the fact.—A. That is undoubtedly a fact, sir.

Q. You assent to my statement on that subject?—A. I assent to your statement that that is, as I understand it, in all suits *in personam*.

Q. You have given me all your knowledge in regard to the proceedings *in rem*?—A. Yes, sir.

Q. And you say there was no settlement in which a free permit was given to the merchant?—A. No, sir.

Q. Now, I observe in the records of these suits *in personam* and *in rem*—I will first take the suits for value, and I observe a very large discrepancy between the amounts sued for and the amounts obtained.—A. Yes, sir.

Q. How many of the suits which you have commenced have been determined in favor of the defendants?—A. None.

Q. None at all?—A. No, sir.

Q. You then say you have recovered in every case?—A. In every case that has been determined.

Q. How many do you say now stand open?—A. The balance of those I have stated. I think there are about twelve suits pending.

Q. I observed on the 31st of March, 1869, a suit of the United States against Hawksworth and others, to recover the sum of \$70,000 and odd of the gold value of merchandise. Do you know anything of that suit?—A. No, sir.

Q. I observe it is not closed. Do you know whether any recovery has been had?—A. No, sir; I have had nothing to do with that case.

Q. Well, here is another, July 13, 1869, to recover \$5,301 against Vetterlinne and others. Is that one of your suits?—A. Yes, sir.

Q. What has become of that suit?—A. It is pending in court now.

Q. They contested that?—A. They went into bankruptcy, sir.

Q. The firm did?—A. Yes, sir. I suppose the Government will have a judgment for that soon; it is on the calendar now.

Q. There was a suit in November, 1869, against Grief & Company, for \$76,418, gold?—I know nothing of it.

Q. Here is a case against Weld, on December 1, 1869; is that one of your cases?—A. Yes, sir.

Q. Is that pending still?—A. It has been tried, and the jury disagreed, and it is on the calendar again for trial.

Q. There is a suit against Penniman on the 17th of May, 1870, for \$126,276 in gold; is that one of your cases?—A. Yes, sir.

Q. What became of that?—A. It is pending now in court.

Q. No trial has been reached yet?—A. No, sir; the evidence of part of the witnesses has been taken before a United States commissioner.

Q. It has been nearly two years since that suit was instituted?—A. Yes, sir; it was very difficult to get a case to trial in less than two years.

Q. Here is a case against Gowdy and others, in July, 1870, for \$86,000 and odd in gold; what has become of that?—A. That is pending in court.

Q. Here is a case of the United States against M. Solomon, in which the suit was for \$125,000 and odd in gold, and it has been closed by the payment of \$12,000?—A. Yes, sir.

Q. How is that?—A. After the commission of those frauds, the importers had become bankrupt and paid fifteen or twenty cents on the dollar; and I suppose the United States attorney thought that \$12,000 or \$13,000 was better than a judgment that couldn't be collected.

Q. You say that he preferred to take a judgment for \$12,000?—A. Yes, sir.

Q. Well, if he took a judgment, why should he enter that that sum had been paid?—A. It was paid, by their consent. It is what you might call a compromise.

Q. Here is another case; the United States against Ludlam and others, in which the claim was for \$66,000, and it has been settled by paying \$25,000.—A. Yes, sir.

Q. What do you say about that case?—A. In the discretion of the United States attorney, it was better than prosecution.

Q. In the case of The United States *vs.* Marsh, for \$65,000; it was settled by paying \$15,000.—A. I know nothing about it.

Q. In the case of The United States *vs.* Payson and others, there is a claim for a large amount in gold?—A. Yes, sir.

Q. Your claim, now, if it exists at all, is for \$8,000?—A. My claim is for that full amount, if anything; that would be my judgment, but the revenue is some \$11,566 short.

Q. The case of the United States against Swift & Co.?—A. Yes, sir.

Q. I observe the claim is \$95,232 in gold, and they settled it by paying \$9,000—10 per cent. upon it?—A. Yes, sir.

Q. What was the basis of that settlement?—A. I believe the assets of the firm over and above their liabilities were about \$26,000, including \$9,000 of bad debts, and the loss to the Government in that case has been about \$1,700, I believe.

Q. Now, I observe in these cases there is a very marked difference—a very gross difference between the sums claimed and the sums taken in settlement.—A. Yes, sir; in some cases.

Q. And in the generality of cases?—A. In the majority of cases there is more than was recovered.

Q. When you make these settlements it is with the understanding that no criminal prosecutions shall follow the party that makes it?—A. That's a matter entirely with the United States attorney.

Q. Without stating with whom it was, I ask you whether such an understanding exists; this has been your business.—A. I suppose it has, sir.

Q. Did you ever know a case where a criminal prosecution of any man followed his settlement and compromise in this way?—A. I never have, sir.

Q. Not one?—A. Not one.

Q. You say you never knew, where proceedings were instituted at all, of a criminal prosecution against a man who made a settlement?—A. Yes, sir; I know of their being commenced against a man, and of their being discontinued.

Q. When criminal proceedings had been commenced against him and he came into court and made a settlement of the character which we have reported here and of which you have spoken, then the criminal proceedings are discontinued?—A. It was altogether, I suppose. It was after the negotiations of a settlement.

Q. That ended the whole proceeding?—A. I suppose so.

Q. The payment of the money absolved him from any criminal liability?—A. He was not prosecuted.

Q. Not only not prosecuted against him, but the prosecution then pending was dismissed?—A. That occurred only in one case that I know anything of.

Q. Can you give us a case in which a man has paid the money into court in this way, under settlement, and has been subsequently prosecuted?—A. No, sir. I can give you some cases where they have been prosecuted and have not paid money into court.

Q. That is, if they didn't come down and pay money, the prosecution goes on?—A. No, sir; that wasn't taken into account at all.

Q. There have been cases where there was a criminal prosecution?—A. Yes, sir.

Q. And no money paid?—A. Yes, sir.

Q. But you say there has been no case where there has been money paid and criminal prosecution followed?—A. No, sir; I was informed by the United States attorney that Judge Pierrepont, in one case where he was pressing an indictment against a party, that the formal grand jury informed him that a man offered to pay the full amount that the Government claimed, and hence they would not find an indictment.

Q. That was the single case of which you have knowledge? Had that man offered to pay Judge Pierrepont the full amount?—A. I understood so.

Q. And the indictment was not followed up?—A. The grand jury refused to find.

Q. When was that?—A. It was about a year and a half ago.

Q. What was the name of the case?—A. It was Mr. Aspinwall, I believe. I think it was Mr. Aspinwall.

Q. Was the indictment prepared and sent up against him?—A. I think it was; yes, sir.

Q. Had he paid at that time?—A. He hadn't, but had offered to pay, and they refused to find the indictment.

Q. But the indictment was sent up before the offer was made?—A. No, I think not; I think the indictment was sent up before there was any offer made at all.

Q. What's the name of that Aspinwall? Give it in full.—A. I can't give you his full name.

Q. Were you in that case?—A. I was not.

Q. Sir?—A. I was not. I took most of the evidence.

Q. Were you interested in it?—A. I was not interested in it.

Q. Not interested in the information?—A. Not at all.

Q. Did he subsequently pay the amount?—A. I understood he did.

Q. How much?—A. I couldn't tell you the amount. I think it was some \$1,400 or \$1,500. It may have been less or more.

Q. And there has been no criminal prosecution against him since?—A. I think they were only going to prosecute him criminally in New York. I think his name was John S. Aspinwall.

Q. Now, sir, on the seizure and examination of the books and papers of the parties, you say that the examination has disclosed the evidences of other frauds of which you

had no knowledge until you got the books and papers in your possession?—A. Occasionally; yes, sir.

Q. Have you, while those books and papers were in your possession, abandoned the charge first made by you, and used the returns and proceedings to affect the settlement of charges discovered by you in the course of your investigation?—A. No, sir.

Q. In no case?—A. In no case. If the Senator will allow me, I will explain. In the case that I went over in regard to Mr. Wheeler, I supposed when I obtained the warrant that it was a short-weight that had been obtained through the weigher's department.

Q. You have already explained that, and my question was one not meant for detail, but meant as a general fact. Mr. Wheeler's case has been very fully discussed.—A. No, sir; I have never taken up a different charge.

Q. In Wheeler's case none?—A. Except in that case.

Q. You may give any statements about his case you please, but I prefer you to answer my question in regard to the whole of your matters—whether or not you had used testimony unknown to you when you first seized the books and papers, and which was not included—touched matters not embraced in your first charge to compel settlements of those parties?—A. Do you mean other charges with regard to other goods where the same kind of frauds had taken place?

Q. Whether you ever made your investigation or the discovery of one fraud the basis of compelling settlements of others which you did not know of at the time you were searching out the first?—A. I will say to the Senator very frankly that when I take the books and papers called for by the warrants, and when I find—if I find any kind of a fraud against the revenue—I should take advantage of that fact, or, in other words, if I was fishing for bullheads and caught a trout, I wouldn't throw him back in the creek.

Q. You have, I think, put a very proper simile in reference to your business, that you regard it as fishing when you go into a merchant's books and papers?—A. Not at all, sir; I don't go on fishing excursions.

Q. Nevertheless, you do fish, and catch other things than you went for?—A. If I had evidence that a fraud upon two importations of a particular kind has been committed, and in getting possession of the man's books and papers, I find that those books disclose that he has committed the same kind of frauds upon other importations, I certainly include them.

Q. You say, then, that you never abandoned the first charge that you seized the books on and took a new one which you discovered in the books on one of those fishing excursions, as you have described it?—A. I have included in the statement made to the collector and to the district attorney cases that were not mentioned in the warrants. I have done it frequently, I presume; how frequently I don't know.

Q. You remember the case of Heineman, do you not?—A. I do, sir.

Q. Do you remember that your charge against them was connected with the short weight of wool?—A. I do, sir.

Q. Did you not make to them claims pending the examination of their books for some irregularity about the weight of it?—A. I did not, sir.

Q. Or any other kind of merchandise?—A. Not at all.

Q. Never told them that you had observed other things which you would hold them upon if you could not hold them upon the wool?—A. No, sir. If the Senator will allow me to explain, I will tell him exactly what did occur. I discovered in the examination of Heineman & Payson's books and papers that some errors had been committed by the custom-house broker in making entries of tea. I called his attention to it in order that he might rectify such things, or avoid them in the future. It occurred about in this way: There would be a description of, say, 400 chests of tea, with the weights opposite them that would be footed up at the bottom. The balance of the invoice would follow, and the footing at the bottom included not only the footing of the rest of the merchandise stated in the invoice, but also the footing above. His broker, in making the entry, had entered the entire weight of the goods also. That made his entry far in excess of the goods had. That kind of errors were very frequent, and I called his attention to the fact that he had a very careless custom-house broker. I made no charge, and claimed no fraud upon his tea at all.

Q. You didn't signify that that was one case, and that he had better settle with you in the other case?—A. Not at all, sir; I never claimed that there was anything wrong on his part with regard to his teas.

Q. When taking books and papers, have you in any case taken those books to your office without first taking them to the court?—A. No, sir.

Q. In no case?—A. No, sir; I know of no such instance.

Q. Did you, in every case where you made a seizure of books and papers, first obtain a letter from the collector authorizing the seizure?—A. I did, sir.

Q. I understood you to say that never in any case did you take all the merchant's books and papers.—A. Think not, sir. I may have taken nearly all he had when I

found most of them had gone, that he had carried off most of his books when I found very little left.

Q. When was your office created?—A. Well, the office of special agent of the Treasury was created back some time beyond anything that I know of. I don't know when the office originated, but there was an act passed, and I will tell the Senator when in a moment, reorganizing and limiting the number. [Referring to memorandum.] May 12, 1870, was the act limiting the number of special agents.

Q. When was the act passed authorizing the employment of agents?—A. Well, sir, I couldn't tell you—some time long before I was special agent.

Q. Have you ever seen the law under which your office was created?—A. Yes, sir; I think so.

Q. You can't give me a reference to it?—A. I could if I had the digest here. I could show it to you very quickly.

Q. But you don't know?—A. It escaped my memory now.

Q. Is there a salary attached to your office?—A. There is, sir.

Q. What is it?—A. My salary is six dollars a day.

Q. That is in addition to your emoluments gained from informing?—A. Yes, sir.

Q. Where is your office?—A. In the custom-house.

Q. That is assigned to you also?—A. Yes, sir.

Q. You have already described the question of compromise and seizures, and we have the record here?—A. Yes sir.

Q. Upon what is your warrant generally based? Is it upon information or from knowledge?—A. In all cases where I have made the seizure I have had either the original dock-book, showing the short weight, or I have had the sworn evidence of the fraud and a collusion.

Q. What persons have you often procured to make the affidavits for you?—A. Well, sir, always some person who was connected with the weighing of the goods, or of the fraud, different ones; the affidavit upon which the warrant was obtained I have made myself, I think, except in two or three cases, when it was impossible for me to do so.

Q. Did you ever have the affidavits made for you by William B. Case?—A. No, sir.

Q. Did you ever employ a man named Beckwith to make affidavits for you?—A. No, sir.

Q. Or. Burns?—A. I never did, sir; I think Case never made any, and Beckwith but one, and that was a fraud that he had committed himself, and upon that he was dismissed.

Q. Did you make his statement the basis of the pursuit of other people?—A. No, sir; I never have taken any proceedings.

Q. Against anybody?—A. Against anybody.

Q. Upon information taken in his own affidavit?—A. No, sir.

Q. It was a mere confession of his guilt, was it?—A. That was all.

Q. Did you ever have affidavits made by Mr. Edgar M. Carr?—A. Mr. Carr has made affidavits of fraud committed by himself.

Q. Were those made the basis of other proceedings against other parties?—A. I think I have had no case where Mr. Carr was connected that I didn't have other evidence aside from the affidavit of Mr. Carr.

Q. Did you not frequently have the evidence of Mr. Carr as a basis of proceedings?—A. I had Mr. Carr's affidavits in these cases where he was connected, and I think there were some six or eight where he was connected.

Q. Mr. Carr, you state, ran away to Canada?—A. Yes, sir.

Q. Do you recollect the name of the person through whom you negotiated his return?—A. It was negotiated here, I think, during my absence owing to sickness in my family in the country; I was away a few days; I think that the letter written to him was written to him, and the only man who knew his whereabouts was a former employé of his—Daniel George.

Q. Under those negotiations Carr returned to this city?—A. Yes, sir; during my absence from the city.

Q. Was he ever prosecuted?—A. Never.

Q. Was he taken into your employment?—A. No, sir; he has never been in my employ.

Q. Was he ever employed in or about the custom-house at all since his return?—A. No, sir.

Q. He never was there?—A. O, he's been there very frequently.

Q. What was he doing when he was there? What was his business?—A. I couldn't say; I think he had a billiard-room part of the time, and some of the time he has done nothing; I think he has had a cigar store.

Q. I'm not asking in regard to his occupation, except in the custom-house.—A. I think he never has had any occupation of any kind in the custom-house.

Q. Did you not pay Mr. Carr certain moneys?—A. I have paid Mr. Carr about 50—somewhere from \$5,300 to \$5,600.

Q. Do you mean that is all you have ever paid him?—A. That is all I have ever paid him.

Q. When did you pay him that?—A. I will explain to the Senator just how I paid it to him, and why I paid it to him.

Q. When you paid it to him, is my question, if you don't object to answering it.—A. Yes, sir; I'll include that. Mr. Carr came to me, I think, a year ago last October, and he said to me, "Now I have done what I agreed to; I have told all about frauds that were committed by me, or through me, upon the revenue, and yet there are some other things that I know of that I haven't told. They were things that I was in no way connected with."

Q. Are you now speaking of yourself, or Mr. Carr?—A. I am speaking of Mr. Carr. Mr. Carr came to me and stated this.

Q. This is Carr's language that you are now quoting?—A. Yes, sir, substantially; he stated to me that there had been a fraud committed with regard to certain kinds of merchandise, and that he suspected that certain other parties were connected with it. He had gathered it from a conversation he had heard, back some year or two before that; and he says to me, "Will you look into this, and give me some part of the informer's share?" I said to him that I saw no objection to his having the benefit of information that he gave—not any more objection than any other person, provided it turned out true. I took the statements made to me by Mr. Carr, and I traced them. He said to me that he would give me what he knew in that way, and I was to give him one-half of the informer's share, and I was to work it out. After I had started, in a little while he came to me and said, "I want something definite; what specific sum will you give me, and take the entire benefit of the information that I may give you in this way." I had, at that time, traced out a portion of the frauds. I had traced them from information had from him in the start. I said to him that I would give him \$5,000, and he said that he would rather have it divided into twelve payments, once a month; and I paid it once a month, for a year; and there was some other information for which I paid him, I think five or six hundred dollars altogether.

Q. Now, when did you—[Answer interrupting.]—A. I paid him that way.

Q. When did you say you discovered his frauds as United States weigher?—A. I discovered the first frauds, in regard to his pay-rolls, I think, upon the 6th or 7th of June, 1869.

Q. That was when you first discovered them?—A. Yes, sir.

Q. When did he run away?—A. I think I procured a warrant for his arrest the same day after I got the first affidavits, and the United States marshal here was unable to find him. The United States marshal of Massachusetts was notified that he was in the State of Massachusetts. I think it was through Mr. Grinnell. Mr. Grinnell ascertained his whereabouts. The United States marshal from Massachusetts arrested him. He escaped from the marshal there, and fled to Canada. I think that he came back here. I left here for home, up in Western New York. I received a telegram that my boy was very sick; and during my absence—I don't know how long I was gone—ten or twelve days, I think—during my absence he returned.

Q. When did he come back to New York and settle down quietly again, under this arrangement that he should not be prosecuted?—A. I got back here, I think, about the 12th or 15th of September.

Q. When did Carr get back?—A. He got back some time during my absence.

Q. When you got back you found him here, living quietly?—A. He was sent to me by the United States attorney. The arrangement for his return was made by Judge Pierrepont.

Q. Was you not entirely cognizant of the promise, and did you not understand it when it was made?—A. I was.

Q. Did you begin at that time to make this agreement of paying him for his information?—A. Not at all, sir.

Q. That did not occur until when?—A. Not until over a year afterwards.

Q. And for that you paid him the sums of money you stated?—A. Yes, sir.

Q. When did you see Mr. Carr last, sir?—A. I think, sir, about the 15th of this month.

Q. Where did you see him then?—A. He was in my office.

Q. Hasn't Mr. Carr been, all along since this arrangement between you and him, in the habit of frequently coming to your office?—A. Sometimes he comes to my office every day, for a week, and then again he won't come to my office for two or three months.

Q. Is he still in this line of employment by you?—A. No, sir.

Q. And in regard to matters touching the Government?—A. He is not.

Q. Does he do much writing in your office?—A. He never did any.

Q. His services to you are only of the kind you described?—A. Yes, sir; that's all. He was never employed in the custom—

Q. Do you know whether any efforts were made to get Carr back in the Government employ?—A. I do not.

- Q. You have no knowledge of that fact; no reliable information on that subject?—
A. No reliable information on that subject.
- Q. Have you any reason to know that any efforts were made with the authorities at Washington to replace him in the United States employment?—A. There may have been, but never through me or with my assent.
- Q. Now, that's only part of the answer. I didn't ask whether it was through you or with your assent. I ask you whether you are aware that attempts had been made to reinstate him in the public service, by application to the authorities at Washington?—A. Well, I don't know that that is so.
- Q. Well, what information have you on the subject?—A. I think he told me he had been promised a place of that kind; and I told him it would not do.
- Q. Sir?—A. I told him it would not do, at all.
- Q. Who promised him?—A. I think he told me Colonel Howe promised him.
- Q. What Colonel Howe?—A. Special agent.
- Q. What's his full name?—A. Frank E.
- Q. Frank E. Howe?—A. Yes, sir.
- Q. What was the position promised him?—A. That of an inspector, I think; so Mr. Carr informed me. I have no means of knowing that is true, any further than Mr. Carr's word.
- Q. Did Mr. Carr inform you of his affairs; talk to you of them; of his prospects in business, occupation?—A. Not much; very little.
- Q. Did he tell you who were the friends through whom he expected reinstatement?—A. I have no recollection of that. I don't know that he told me of any.
- Q. Can't you state the name of any man through whose influence he expected to gain the entry into the Government service again?—A. No, sir; he never told me. I don't think I ever heard. I considered it very doubtful that the statement that he had received such a promise was true at that time.
- Q. You said that he never said to you who any other person else was, except the gentleman you have just mentioned, Colonel Frank E. Howe?—A. Not at all, sir; never.
- Q. Have you given us the names of all the weighers, and other custom-house officials, whom you have detected in fraud upon the revenue since your employment as special agent?—A. I think I have not, sir.
- Q. We would like to have them if you can give them to us.—A. It would be impossible for me to give you the entire list.
- Q. Why so?—A. It is impossible, with such memoranda as I have with me.
- Q. Give us the names of all you can.—A. There are a great many whom I have suspected of fraud, and have reason to believe they have committed fraud, which I had no specific proof against.
- Q. Very well. Now we will take others where you have discovered fraud?—A. Of weighers, Edgar M. Carr, A. N. Doolittle, A. W. Van Winkle, Harvey Hunt, James C. Slaight, Percy B. Spear, George F. Sherman, Charles W. Hawkins, Israel Stone, J. W. ———, Thomas W. Egan, and W. J. Waite.
- Q. Those are not among the simply suspected persons, but among those whom you have evidence of fraud?—A. I have evidence that short weights was returned upon their districts; some of the guilt in their places may have been the guilt of subordinates.
- Q. That includes all the weighers?—A. That includes all the weighers against whom I believe they were parties to the frauds, but there is one more, I don't know his first name; his name, I think, is James Allabaw; and a man by the name of Wales—I don't know what his first name is. Then there are others upon whose districts frauds took place, who I have reason to believe were not cognizant of the frauds themselves, but that the frauds were committed by some employé under them: Henry A. Smalley, John Ives, Lewis Lounsbery, Nelson K. Wheeler, and E. P. Cohen.
- Q. Are any of those persons now in the custom-house employment?—A. There is but one.
- Q. Who is that?—A. Lewis Lounsbery.
- Q. Where is he employed?—A. United States weigher.
- Q. Has he been here all along?—A. No, sir; he was removed; and out of the service for about a year, I think, or over.
- Q. Who re-appointed him?—A. I think he was re-appointed by Mr. Murphy.
- Q. Is he in service still?—A. He is, I think.
- Q. Have you named now the only persons?—A. The only weighers.
- Q. The only ones?—A. Yes, sir.
- Q. Did you ever know Michael W. Burns?—A. Yes, sir.
- Q. Was he one of the weighers?—A. I should have included his name. I took from all the records I had. There was a fraud committed on the district where he was a weigher. I don't believe he was a party to the fraud.
- Q. Did you not charge him with a fraud at that time?—A. I charged no one with it except that the fraud had been committed.

Q. Was he not removed by Surveyor Cornell, upon your statement and testimony?—
A. He was suspended from duty.

Q. Was he not removed by Mr. Cornell?—A. No, sir. Mr. Cornell has not the power of removing.

Q. Was he removed?—A. No, sir; the collector ordered him reinstated.

Q. What collector?—A. Mr. Grinnell.

Q. Is he still in the Government employ?—A. He is, sir.

Q. As a weigher?—A. As a weigher.

Q. Now, sir, perhaps as you didn't recollect Mr. Burns there are others whose names you can give?—A. Well, sir, if you mention any one I will tell you all I know about it.

Q. Do you mean that you can give me no further evidence about these matters except I am able to furnish you the identical names?—A. No, sir; I don't mean to say that at all, but I mean to say that I carefully collected the names and wrote them down on a piece of paper before me while I answered your questions, and supposed that I had included every name, either those who had committed fraud or where fraud had been committed in their district. I had put them separately, and when the name of Mr. Burns was mentioned to me I discovered at once that it had been omitted, but accidentally on my part.

Q. Now, sir, that your attention has been drawn to this matter, are there other names of persons who have committed frauds upon the weighers—weighers who have committed frauds upon the revenue, against whom you have evidence of fraud? We will take in the weighers' department now.—A. I can think of none others now.

Q. You say there is no one employed now in the custom-house as a weigher, or in the weighing department, against whom you have evidence of fraud?—A. None that I know of, sir.

Q. Excepting Mr. Burns, that you have mentioned?—A. There was evidence of a fraud having been committed on Mr. Burns's district. We got the original dock-book, and it appeared in the handwriting—the figures appeared to have been made by the clerk in his employ on the dock, and I believe that it was committed without his knowledge at that time.

Q. I find here the testimony of Mr. Cornell, at page 141 of the evidence taken before Mr. Patterson's committee.—A. I have never read it.

Q. Well, I'll read it to you. The question is: "Are men, in such instances, corrupted by merchants?" The answer is: "Yes, sir; or by some one in their interest; we have found some instances where the goods have been properly weighed and the dock-book has been taken possession of by the weigher, who has made a bargain with the merchant for reducing the weights; we have discovered frauds in the weights of several ex-weighers; in one instance I have [discovered frauds in the weights of one of the present weighers, and upon representations to the collector, by his direction, he was suspended from duty. Q. Give his name?—A. Burns."

Q. Is that the case?—A. I remember that.

Q. Did you not give that information to Mr. Cornell?—A. I did, sir.

Q. And it was upon that that this took place?—A. Yes, sir. It was an invoice of pepper by the ship Arican.

Q. Then it was upon your testimony, your detecting these frauds, that this man was found out?—A. I discovered it by a comparison of the dock-books.

Q. And he remains still in the service of the Government?—A. He remains. It was traced to a subordinate of his, who was discharged.

Q. Did you have any conversation with Mr. Cornell about the case after that—about Burns being reinstated?—A. I presume I did, sir. I have no recollection now.

Q. Was it or was it not a question about Mr. Cornell's opinion or judgment that he ought never be put back in the Government employ?—A. It was.

Q. Was it not your own?—A. It was. I would hold weighers responsible for a very thorough knowledge of the business of their district.

Q. Now, you have spoken of a man named Case?—A. Yes, sir.

Q. Whose history you remember something about, and whom you detected in fraud?—A. Yes, sir.

Q. Do you know of the case of a man named Beckwith?—A. Yes, sir.

Q. Did you detect him?—A. I discovered from papers that were on file in the custom-house evidences of what I believed to have been frauds.

Q. What was his duty, and what was the character of this fraud?—A. He was an inspector, detailed to debenture duty at times. Of this case of goods that was taken off the cart, and a box substituted, I found that the box that was substituted bore the same mark and number as a box that had been entered for export some time previous, and I believed it to be by the same parties, it being in the same handwriting, but bogus names were used. I traced through the record to find who the debenture officer was who carried that to Hudson River Railroad depot for exportation. I found that Beckwith had been the debenture officer, and had taken a box of that kind. It was not evidence upon which I could have instituted proceedings, but I called him before me and he supposed that I did have evidence, and he told me, and I took down his

statements with regard to it. It turned out that he had been the debenture officer and had allowed a substitution of a box of about 3,600 cigars.

Q. Then he had been guilty?—A. He had been guilty of a fraud; yes, sir.

Q. Whose dock was he on at that time?—A. He was on no one's dock.

Q. He was detailed as an inspector?—A. Yes, sir.

Q. Was he at that time or subsequently made one of the surveyor's special aids?—A. He was long previous to that. He was immediately dismissed.

Q. Has he since been reinstated in Government employ?—A. No, sir, not to my knowledge; I think not.

Q. Where did he come from?—A. Well, sir, I knew him in Washington; I understand he resided in Oneida County when he came here, or had been formerly a resident of Oneida County, I don't know which.

Q. Do you know by whom he was appointed here to office?—A. I do not, sir. I will say to the Senator that I know when looking for—

Q. What was Beckwith's full name?—A. David L., I think. I will say to the Senator, when I find a man committing fraud I never ask who recommended him; it wouldn't make any difference with me.

Q. I didn't ask what your own habits were, sir.—A. I know just as little as I possibly can about those things.

Q. Now, have these three cases of inspectors that you have mentioned been the only cases of fraud in inspectors that you have discovered?—A. No, sir; I have mentioned a number who would pass goods from ships, and I mentioned the ships.

By Mr. CASSERLY:

Q. When were those cases of ships you have mentioned?—A. A year ago last winter, I think.

Q. Do you refer to those cases you named a while ago?—A. Yes, sir.

Q. You said there were several more that you couldn't think of.—A. There are some I didn't think of then, sir.

By Mr. BAYARD:

Q. How many instances of fraud on the part of inspectors did you discover?—A. I suppose fifteen or twenty.

Q. Are any of those men now in the service of the custom-house?—A. I think not, sir.

Q. The cases you discovered of fraud were connected with the passing of goods?—A. Sometimes with the passing of goods from the ship, and sometimes, I think in one or two cases, in passing goods in the baggage of passengers.

Q. Do you remember the detection of one or more clerks in the warehouse bureau making false entries?—A. No, sir.

Q. You can't recollect any case of that kind?—A. No, sir.

Q. Do you recollect a case in which you detected false entries, and finally had a confession made to you by the parties?—A. No, sir.

Q. No case of that kind?—A. No, sir.

Q. Do you know Wm. D. Prentiss?—A. I know Wm. D. Prentiss. Wm. D. Prentiss had knowledge of one entry, but had been passed where the inspector—where the liquidating clerk had received money—had knowledge of it; which information I received from the liquidating clerk after catching him. Prentiss was removed.

Q. The liquidating clerk had taken money to defraud the Government?—A. Yes, sir.

Q. This man had knowledge of it?—A. Yes, sir.

Q. Was there any false entry made by him himself?—A. Not at all, sir.

Q. He was removed?—A. He was removed.

Q. When was he reinstated?—A. He has not been reinstated.

Q. Is he not to-day in the custom-house employment?—A. No, sir; not to my knowledge. He is a broker or agent of some transportation company, I think. He has not been in the custom-house employ since.

By Mr. CASSERLY:

Q. He testified here the other day?—A. Yes, sir.

By Mr. BAYARD:

Q. You were present, I believe, at his examination?—A. No, sir; I was not present but I saw by the papers that he had been examined.

Q. You state here distinctly that none of the parties whom you discovered in the commission of frauds remained now in the service?—A. None that I know of, sir.

Q. As to your methods of getting this testimony from the weighers, have you ever at any time suggested to a custom-house weigher that he would be punished if he did not give information to you connected with frauds?—A. Well, I don't know; perhaps I have, likely as not.

Q. Well, if you don't know, I don't know who does.—A. I think quite likely I have. I used every appliance I could to get them to tell the truth.

Q. Have you or not suggested to men in the custom-house employment that they would be removed from office if they did not give you information?—A. O, not that they would be removed from office. I found very few of them while in office; it has occurred after they had been out.

Q. Well, what of the very few whom you did find in office who had been guilty of fraud?—A. They were immediately arrested. Mr. Egan, Mr. Webb, and Mr. Spear were in office at the time.

Q. Are they the only ones?—A. With the exception of the frauds committed in the district of Burns and Lounsbery. Allow me to explain in the case of Lounsbery. He was removed on account of frauds supposed to have been committed upon his district. It turned out afterward, and I obtained evidence, that that fraud had been committed by some other person, or been committed by a false liquidation inside of the custom-house, where the true weight had been given, which removed all imputation of fraud upon Mr. Lounsbery. In the case of Burns, it was where a false weight of importation of pepper, by the ship Arican, had occurred, and upon investigation into whose figures they were, and who made up the return and all, it appeared that an employé of Mr. Burns had committed a fraud. That employé was removed, and Mr. Grinnell reinstated Mr. Burns.

By Mr. CASSERLY:

Q. Burns or Lounsbery?—A. Mr. Lounsbery was re-appointed after it had been ascertained that other parties committed the frauds with which it was supposed he had been connected.

By Mr. BAYARD:

Q. You say that wherever you found, in the whole course of your service, that an official had been guilty of fraud, you instantly caused his arrest?—A. I instantly caused his arrest or removal.

Q. Or removal?—A. Yes, sir.

Q. You say you have threatened these men with punishment if they did not give you information?—A. I may have done so; I presume I have.

Q. Do you not know it, sir? The question of the presumption of the thing within your own knowledge is not exactly the way to state.—A. I have used every appliance I have deemed legitimate to extract the truth from men that I had a moral certainty in my own mind had been committing fraud on the Government.

Q. Now give us a little history of what you deem legitimate methods of extracting the truth.—A. By sitting down first and reasoning with the man, and telling him what his better course would be, telling him what a wicked fellow he had been, how he had violated every principle of manhood, morality, and official honor, had been defrauding the Government, a party to a fraud, and that his best and only way was to tell frankly just what he had done. Sometimes, when that failed, I held up to him the terrors of the law, read once in a while a section of the law to him, and of course it might be deemed a threat or otherwise.

Q. Have you exhausted your catalogue?—A. I don't care to go into that field.

Q. But I want to know something of that field.—A. Well, I think, unless my acts are under some imputation of wrong, it is not necessary for me to take each case in detail.

Q. I have not asked you for that; you spoke of your methods of obtaining information, and I wanted to know what they were, and if you now stated them all.—A. No, sir; I haven't stated all; each case is different; it depends upon the man who sits before you. Sometimes he is a man who has no physical fear; again, he is a man who has no moral fear, that has no moral sense of wrong; it depends upon the subject you have to deal with.

Q. Then you would act upon either, as the case would be?—A. I would use any method that I would deem legitimate to get at the truth, to get bad men out of service, to detect any fraud upon the revenue and stop it.

Q. Am I to understand you that you would terrify a man who was physically a timid man?—A. I might.

Q. Did you?—A. I presume I have.

Q. Do you know you have?—A. I presume there are men in New York who think I am a terrible fellow.

Q. I ask you if you have terrified men in order to obtain testimony from them.—A. Quite likely. I wasn't the keeper of their feelings and couldn't know all their emotions.

Q. Have your arguments been altogether of a moral or mental nature?—A. I find, in nine cases out of ten, when you show a man the exact position he stands in, that you can, by treating a man properly, appeal to their consciences and show to them that they have done great wrong.

Q. Now, these were your methods mostly; let us know those unfrequently used by you.—A. By any legitimate means of ascertaining the truth.

Q. Do you consider the use of handcuffs a legitimate means of obtaining the truth?—A. Hardly; I would not.

Q. Have you ever used such appliances?—A. Put handcuffs on a man?

Q. Yes, sir.—A. No, sir; I never have.

Q. Did you ever threaten to put handcuffs on a man?—A. I think not.

Q. Just think again.—A. I thought that over very thoroughly. I think not.

Q. Are you prepared to answer you never did?—A. I am prepared to answer that I think that when men have been in my office that have been guilty of fraud, and it was a moral certainty, that other men have walked in my office and have laid a pair of handcuffs down on the table, without any suggestion for their use or anything of the kind; quite likely. There happened to be a pair in my office for a short time.

Q. How long did you keep handcuffs in your office?—A. Well, sir, I never procured handcuffs to be brought there; there was a pair left there accidentally by a United States marshal, and they were there some little time.

Q. What were they brought there for by him?—H. He had a prisoner in charge.

Q. Did he bring the prisoner there?—A. Yes, sir, I think so. He left them there.

Q. What was a prisoner doing in your office handcuffed?—A. I think he once brought a prisoner from Massachusetts handcuffed. Some man I had nothing to do with at all; I've forgot the man's name.

Q. How long did you keep those handcuffs in your office?—A. I think they hung there ever since. I don't know whether they are there now or not.

Q. Quite within view?—A. No, sir; I think not. I don't know that I have seen them for many months.

Q. Then the use of handcuffs, or the threat of handcuffs, is that considered by you a legitimate method of obtaining information upon which to base the seizure of merchants' books and papers?—A. It might be legitimate, to make men tell the truth, to lay them down to remind them that they might be used.

Mr. HOWE. I wish you would answer Mr. Bayard's question. Mr. Bayard questioned you considering threatening the use of handcuffs to be a legitimate means of getting hold of books and papers.—A. No, sir; not at all.

Mr. BAYARD. I did not ask that question, with due respect to my brother.

The WITNESS. Those things generally occurred when the handcuffs have been brought in the room, I think, in regard to men who had been smuggling—some fellow smuggling on the dock—men brought there by other officers.

Q. Are you willing to state to the committee further the extent to which you have acted upon the fears of men in compelling them to give you information to use in order to prosecute your suits?—A. Those have been done, sir, to a very limited extent. A man who has been guilty of doing wrong generally fears.

Q. Now tell us the man who you were interrogating and seeking to terrify at the time you had this unexpected aid from the authority of the marshal with the pair of handcuffs.—A. I think there was no one at that time in my office. I don't think they were left there for that purpose at all.

Q. Did you not state that you had a man under examination, and that some one came in and put down a pair of handcuffs beside him without saying anything, or without your ordering it?—A. I didn't say that. I said such a case might have occurred.

Q. What made you say that? Did such a case occur?—A. I presume such a case might.

Q. What cases have you had of that kind?—A. I presume not more than two or three.

Q. Who was the person who, at your suggestion, comes in upon the scene with a pair of handcuffs?—A. It was done at my suggestion at that time, I think—the first time.

Q. Who was it came the second time?—A. Well, sir, I couldn't tell you now.

Q. Who was the person?—A. Well, sir, the only time such a thing occurred was during the time of the seizure of bay-oil.

Q. Do you remember the names of those individuals?—A. I do not, sir.

Q. You can't recollect the name of the man?—A. I would remember by going and looking over the testimony. I could pick out the name.

Q. How long since this thing occurred?—A. It is a year or two.

Q. Is that as near as you can come to it?—A. I think it was a year ago last winter.

Q. Was that the first case?—A. I think it was, sir.

Q. When did the next case occur?—A. I think they all appeared about that time—all that did occur.

Q. I want to know who the man was who came in so opportunely and laid down handcuffs while you were examining the witness.—A. I think the first time it ever occurred it was J. S. Chalker.

Q. Who is Mr. Chalker?—A. He is now special agent with Mr. Howe.

Q. What was his occupation at that time?—A. I think he was inspector of customs at that time.

Q. Where?—A. New York.

Q. What idea had he; that you were interrogating this timid witness?—A. I think he brought him to me.

Q. Was he there during all the time?—A. I think he was outside most of the time.

Q. At what stage of the terrification did he come in with the handcuffs?—A. I couldn't say. I think he came in during the time that I was examining the witness. I don't know at what stage; I couldn't say.

Q. How often did you actually put those handcuffs on anybody, or any number of men?—A. I never put them on any man in my life.

Q. Who put them on in your presence?—A. I don't think any man ever put them on in my presence.

Q. That you swear to?—A. I swear that I have no knowledge of their ever having been put on a man to terrify him.

Q. Did you put them on to encourage him, if not to terrify him?—A. I think not for any such purpose. I think I have unlocked the handcuffs and put it on my wrist to see how it worked, but not to terrify him.

Q. If you didn't put them on to terrify him or encourage him, what did you put them on him for?—A. I couldn't put them on.

Q. What did you put them on your own wrist for?—A. To see how the handcuff worked. To see how it opened and how it locked.

Q. Had you these witnesses under examination while you were playing with the handcuffs in this way?—A. No, sir; not while I was putting it on my own wrist.

Q. You say you didn't put a handcuff on anybody?—A. I think not.

Q. I wish to have your statement under oath about that fact.—A. All of my statements are under oath.

Q. I don't want your opinion. I want the fact.—A. That is the best of my knowledge and belief.

Q. Do you think likely you would have forgotten a case where you put a handcuff on a man?—A. I don't think it ever occurred.

Q. And you can't state it more strongly than to base it on your thoughts?—A. I think so.

Q. I ask you whether in your presence at any time a witness has been handcuffed.—A. I think not, sir.

Q. Do you say that you know not?—A. Well, I think not.

Q. Will you answer me distinctly?—A. I answered very distinctly, I think.

Q. Do you mean that in your room at the custom-house———A. I swear to this: that, to my knowledge, belief, and recollection, it has not occurred.

Q. That no man was handcuffed at any time in your office, in your presence?—A. For the purpose of terrifying him?

Q. We will come to that presently.—A. There has been a pair of handcuffs there; I know that. They have been played with there when men were not being terrified, or anything of the kind. I don't know but they have been put upon some man's wrist in fun, when there was no attempt to extort anything from him, or anything of the kind.

Q. Did that man happen to be a person from whom information was desired?—A. I have no recollection of anything of that kind. I think it didn't occur.

Q. Now I will ask you the question again, and I will ask you for a simple answer. Did you ever see a man, for any cause, handcuffed in your room at the custom-house?—A. I think not, sir; not excepting it was voluntary on his part. I think not for the purpose that you are making inquiries. I think not; I think I understand your question, and mean to answer it.

Q. Well, I am glad to find that out, for I had some doubts on the subject by what has preceded. Who was the person who was handcuffed at his own request and for his own pleasure?—A. I don't know that any one was. I think I have put them on my own wrist; I think so. I don't remember positively; I know I have looked at them to see how they worked.

Q. Have you suffered yourself to be handcuffed?—A. No, sir.

Q. And you here swear that no man, to your knowledge, was ever handcuffed in your office?—A. According to the best of my knowledge and belief, there has not been, to my recollection. I don't recollect any such case.

Q. Do you know the name of the individual who had this little suggestion made him by the laying of a pair of handcuffs down by Chalker, when you were examining him?—A. I don't, sir.

Q. Who was the next case, when the same suggestion was made?—Q. Well, sir, I couldn't tell you.

Q. When was the third case?—A. I couldn't tell you, sir. I never kept any book account or record of them.

Q. You didn't make a record of this transaction?—A. No, sir; I don't think it has occurred very often.

Q. Now, sir, since you have spoken of the matter of the moral argument of handcuffs, what other means of intimidation have you resorted to with a witness?—A. I don't think I have resorted to any particularly.

Q. What have you in general, then?—A. I have resorted to any means that I could, that I deemed legitimate, to get at the truth, sir, knowing all the time that to detect frauds against the Government and to enforce the law is a very ungrateful business, and subject at all times to be brought into disrepute, although a man's motives may be pure as is possible. I say that under oath.

Q. How many of those cases in which the rewards have been recovered have you obtained information by the means you have mentioned?—A. I think none at all, sir.

Q. Not in any case?—A. I think not; not where I appear on. I think there has been no case.

Q. Do you know a man named Mulholland?—A. I do, sir.

Q. Did you ever threaten to put handcuffs on him?—A. No, sir; not to my recollection; I never did.

Q. I should think if it occurred he would have been more apt to recollect it, would he not?—A. Mr. Mulholland is a custom-house broker.

Q. Have you been in the habit of making payments or allowances to officers in the district attorney's office, out of the informer's share?—A. No, sir.

Q. Never, in any case?—A. There was an assistant district attorney, or a man, when Judge Davis went in there, that had had charge of all the suits *in personam*, and he was very desirous of remaining there. The salary that Judge Davis offered to pay him was, I think, \$1,500 a year. He was acquainted with the details of all that kind of business, and I paid him \$500, making it an inducement for him to remain in the district attorney's office. It was perfectly open and above-board, and without fraud or collusion, or wrong intent on my part.

Q. Is that the only money you ever paid any one connected with the district attorney's office?—A. Yes, sir.

Q. Have you ever given, as in the case of Mr. Carr, moneys to persons—custom-house officials—who had colluded with importers to defraud the revenue?—A. I never have, I believe, to the best of my recollection, knowledge, and belief. That is, in any case where he had been a party to the fraud. If a man who had been a party to a certain fraud, after that case was closed, brought information to me, I took the information from him as I would from any other citizen, or any other human being on earth.

Q. You say you use every legitimate means?—A. I think so. I have tried to. I have tried to be faithful to my trust, sir.

Q. Yes. And we have heard from you what some of the means you deemed legitimate were. That of intimidation to any person whom you thought would be affected, or if they were of a different turn, you changed your method of application. Now did you threaten men with indictments, and hold up all the consequences of the law penally as applied to themselves?—A. I think not.

Q. You never did that?—A. I think not, sir.

Q. Did you ever threaten any merchant in this city with indictment—with State prison, if he did not settle?—A. No, sir.

Q. Never did?—A. No, sir. I never used any means of that kind to force settlement. I have said frequently that men should be sent to State prison. I concur fully with the view I heard expressed by the Senator here, that if he could send two or three of the leading merchants of New York to prison, who had been engaged in these frauds, it would do more to stop them than anything else in the world.

Q. I ask you whether you suggested indictment, and the liability to indictment, to merchants against whom proceedings were to be taken?—A. Unless they could infer from reading the law, which I had frequently read to them.

Q. Read the law showing them that they would be liable to indictment?—A. If they were guilty of certain things, leaving them to infer whether they were guilty or not.

Q. Have you not told them what the consequences to them would be if indictments should be pressed against them?—A. I have told them that if they were convicted under certain sections of the law, what it meant. I have read the law to them, but, Mr. Senator, in very few cases have I had any conversation at all with merchants whose books I have taken.

Q. Let us know a few cases you have had where you read the penal law to them?—A. I couldn't remember.

Q. Do you mean to say that you took down the book and read it to them?—A. Certain.

Q. Do you mean to say that you never stated to them the fact that they would be sent to State prison if found guilty?—A. If found guilty of certain things, I may have.

Q. Were those penal laws read to the merchants, or statements of the results of the penal law stated to the merchants, pending the claims against them for duties?—A. Generally, at their own request, to know what the law was.

Q. Now, answer my question when you get ready. Were these statements made, or portions of the law read to the merchants pending the claim against them?—A. I suppose

so ; for I very seldom see them, or have any conversation with them, after their case is closed.

Q. Was it not understood by the merchants generally, and did you not also give them the information, that, in case the compromise and settlement were made, and the money paid to the Government, they would be free from the fear of the indictment?—A. What talk I have had has generally been with the attorneys.

Q. Answer my question, please.—A. Sometimes the attorney would bring his client, and we would talk over the law in his presence.

Q. Then it was understood between you and these parties that, in case the settlement was made, the indictment would not be pressed?—A. They have had good legal counsel generally.

Q. Well, sir, will you answer my question?—A. I supposed that was implied, more or less ; I supposed it was.

Q. Wasn't it thoroughly understood between you that that was the custom, as you have declared it to be heretofore?—A. It is a matter over which, I would say to the Senator, I never pretended to have any control whatever ; over which I have no legal control.

Q. I haven't asked you anything that looked like control. I merely ask you whether that was the understanding in the cases, and whether that understanding was made known to the merchants?—A. I think not, generally. I think some merchants understood it. I always want every merchant whose books and papers I have, and against whom I have a claim on the part of the United States—I want him to understand, I want him to think that I understand, every transaction that he has been connected with ; and, of course, I want him to understand that every law will be enforced that I can enforce.

Q. Then you want them to understand clear through them, and understand all about their affairs, and that there is no use concealing about them. That's part of your little game when you deal with merchants, is it?—A. Of course.

Q. Ay?—A. Of course it is.

Q. Have you ever used violent language to merchants whose books and papers were under seizure, or to witnesses from whom you desired to obtain information upon which to base applications for seizure?—A. I think not.

Q. That you swear to?—A. I think not.

Q. Have you never used opprobrious language to merchants in your room at the custom-house?—A. I think not.

Q. In respect to their conduct and their acts?—A. I guess not. I never have heard complaints.

Q. I ask your knowledge?—A. I think not.

Q. Have you not done so? Give a plain answer to a plain question.—A. Well, sir, different men would think differently of the same language, and what the Senator would think opprobrious I might not, and what I might think opprobrious the Senator might not. I think not.

Q. You are prolonging this investigation by what I must consider a strange want of candor in your answers.—A. I have tried to be very candid.

Q. Well, sir, you have been very unsuccessful, I have to say. Have you used, either to witnesses from whom you desired to obtain information, or to merchants whose books were under seizure by you, violent and opprobrious language?—A. In regard to witnesses—men who had been party to frauds—I have tried by every legitimate means to have them to tell the truth and nothing but the truth.

Q. By that means do I understand you that you denounced them as bad men?—A. I think I very seldom did anything of that kind.

Q. Did you do it?—A. I may have done it, certainly. I sometimes think a fraud so bad that it is damn bad.

Q. Have you denounced these men as rascals and thieves, &c., to their faces?—A. No, sir ; I think not.

Q. Do you know not?—A. That ain't the way we bait the hook generally.

Q. I am not speaking of the baits of your hooks, sir ; I have no doubt you have a great many ; but I wish you to answer my question, and then you can say how you bait your hooks.—A. Well, I think not.

Q. That is your opinion.—A. With regard to the other part—

Q. Just wait ; I now want your knowledge—you have given your opinion. Have you or not addressed persons in your office as thieves and rascals, in order to obtain from them information?—A. Quite likely, when I knew they were ; I generally call things by their proper names.

Q. That is one of your legitimate methods of obtaining information?—A. A man generally, by telling him the truth, sees you are candid.

Q. And that was the kind of candor you employed?—A. Certainly—to always be truthful and straightforward.

Q. In order to obtain information upon which to take proceedings against either in suing them for the recovery of penalties?—A. No ; not as a basis for that—to obtain the truth.

Q. When you got the truth what use did you make of it?—A. When I got at the truth and found that truth compared fully with all the surrounding circumstances—all the documentary evidence, and I found I had got at the truth, I proceeded to get at the books of the merchant.

Q. When you got the books and papers what else did you do?—A. I examined them to see what evidence I had of frauds, and reported them to the collector and the district attorney, who in their discretion brought suit or not.

Q. When a settlement was agreed upon what was the result?—A. The result was, if they agreed upon a settlement, they paid.

Q. When the payment was made, what distribution was made of the money?—A. I got a portion of it, and Uncle Sam got his due.

Q. Well, we won't say whether he got it or not; but the result of it all was — A. [Interrupting.] But one part of your question you put to me you did not allow me to answer. I think I never had any unkind words with merchants in my office in the world; I think not; I have no recollection.

Q. Do you say that to neither of the firm of Heineman & Payson—you never spoke disrespectfully to them in your office, connected with their business?—A. I think I repelled with some warmth one day a statement made by Mr. Payson, and he, in a very gentlemanly way, admitted his wrong in having said what he did, and apologized and said that he was sorry that he had said it.

Q. Do you consider that an answer to my question?—A. I think it is.

Q. Well, now, sir, I will ask it again. Did you ever use any opprobrious language to either member of that firm?—A. I think not, sir.

Q. Did you or not?—A. I think not, sir. As I said before, different persons would look upon the same thing from a different stand-point. I think not.

Q. Do you swear that you never used vile and opprobrious language to either member of that firm?—A. I swear, to the best of my knowledge and belief, I never said anything to either member of that firm that was not justly due in response to what they said to me.

Q. How do you keep those handcuffs in your office?—A. I don't know where they are, and I have not seen them for months.

Q. Have you paid merchants' clerks or the book-keepers of merchants in order to obtain information of their employers' business?—A. I have paid money for information wherever I deemed it legitimate.

Q. Will you answer the question?—A. I have paid money to merchants for information that they have given me with regard to other merchants. I have paid money to men employed for the truth.

Q. Will you answer my question, Mr. Jayne?—A. I have.

Q. I beg your pardon, but you have not answered it as it was asked.—A. I have paid money to merchants; never to any merchant for information he had in his own books, but with regard to others.

Q. I ask you the plain question, and I think the effect upon you will be for you to consider, in this published testimony. I ask you if you have paid for information to the clerks or book-keepers of merchants for information touching the affairs of their employers?—A. Well, I have paid money whenever I thought I could get at the truth.

Q. I want you to answer me that question.—[To the chairman.] Mr. Chairman, I must say that I have been compelled by this witness to repeat questions of a very plain character, which no man should be deceived about, in which a witness so astute as Mr. Jayne has no difficulty whatever in answering; and he has, as you see, avoided me in every way. I think the witness should be instructed by the committee that our time is not to be taken up in this way.

The CHAIRMAN. The witness will please answer the question.

WITNESS. Mr. Chairman, allow me. There are instances in which the employes of certain importers, or former employes, have given me facts; in all such cases it was under the solemn assurance that their names should never be revealed, and I don't propose to answer any question that will discover the name of any man who has given me information that I have promised not to disclose. I should consider myself very dishonorable to give a man away in that manner.

The CHAIRMAN. The question was not in regard to the name.

Mr. BAYARD. There has been no such suggestion made, Mr. Chairman, and therefore the pretext of the witness will scarcely be deemed as honorable as he would desire. [To the witness.] There has been no suggestion to ask you the name of any one. It will be quite time enough for you to raise the objection when the question is asked. Whenever you are ready to answer my question you may.—A. Repeat the question.

Q. I ask you whether you have paid clerks and book-keepers of merchants for information touching the business of their employers, and the private business of their employers?—A. I have paid them with regard to the business of their employers in regard to importations; that is not private business.

Q. Then you have paid them in regard to business transactions of merchants who employed them?—A. Exactly.

Q. That's been one of your methods of obtaining testimony?—A. It's been testimony that I have never used in court or elsewhere.

Q. How, sir?—A. In court or elsewhere, except as it pointed the direction in which I could find certain facts.

Q. In other words, because you had promised not to give up the names of the witnesses—of the informers—you were, therefore, not able to disclose it and bring him in court, but you used the information you obtained from him to guide you to obtain other information that you could bring in court?—A. Exactly.

Q. That's the method?—A. That's it exactly.

Q. And therefore you did use their testimony to convict their employer?—A. I used their testimony to point the direction of fraud.

Q. It was quite as essential to get that as to get what followed?—A. And I deemed it entirely legitimate.

Q. That has been part of your system here in New York?—A. My system has been to discover the frauds on the revenue in any way whatever that I could legitimately.

Q. Among those methods has been that purchasing of testimony from clerks, book-keepers, all that went on in their employer's establishment?—A. I never have, except when they came to me voluntarily.

Mr. HOWE. Mr. Chairman, I quite acquiesced in the propriety of the witness answering that question, although I, for the life of me, cannot see the relevancy of it, and I submit that answering it once or twice is quite sufficient. He did answer it under the direction of the chairman, and I think you could go along with another question.

Mr. BAYARD. I scarcely know what to say on the comment of Mr. Howe in regard to the answer. I did not expect that he would sympathize with me particularly in desiring to get the information of the witness I have sought to gain, and sought with very ill success; at the same time I think I have borne with a good deal of patience with this witness, his elusion of very plain, simple questions. His examination could have been closed an hour and a half since, but he has eluded me constantly, and I scarcely expected that there should be a comment on my method of examination.

Mr. HOWE. I did not sympathize with Mr. Bayard to get an answer to that question, because I did not think it was important or relevant; but after he had answered it once, then I thought that the subject might be dropped.

The CHAIRMAN. I should be very glad to have the witness answer all questions directly and positively, in order that the examination might be closed at a reasonable time, and I hope he will not be called upon to repeat.

By Mr. BAYARD:

Q. You have undertaken to give us a statement of what you have received so far since June, 1869, as your share of the informers' receipts, being about \$125,000?—A. Yes, sir.

Q. And you have been compelled to pay others portions of that?—A. I have paid others; yes, sir.

Q. Are those people connected with the custom-house?—A. Yes, sir; some of them are.

Q. Is Mr. Clark, the deputy collector, one?—A. Mr. Clark has received money from me.

Q. What others in the custom-house have received money in that way from you as their share?—A. Mr. L. J. Kirk and Mr. E. F. Burton.

Q. Does this sum of \$125,000 embrace everything in every way that you have received as Treasury agent since your appointment?—A. Yes, sir; except my salary.

Q. You had a salary over and above all this?—A. I was paid from the time I was appointed up to the 1st of January, I think, \$6,338, my salary up to—

Q. Your regular *per diem*?—A. Yes, sir; my salary up to 1870 was \$8 per day; since that it has been \$6.

Q. When you are absent, looking up these cases, are your traveling expenses paid by the Government?—A. Yes, sir.

Q. Besides this?—A. Yes, sir; actual expenses. It has been, I think, less than \$150 altogether.

Q. You have been generally very busy in New York?—A. Yes, sir.

Q. But when you ever did go away, you had your traveling expenses paid in addition to your *per diem*, and all that you should make out of your informers' share besides: is that so, sir? The reporter can't get it when you nod your head.—A. I said yes, sir.

Q. You know nothing at all of Howe's bureau?—A. Nothing.

Q. Have you anything to do with it?—A. No, sir.

Q. Your line of operations is disconnected with his altogether?—A. Yes, sir.

Q. Who do you report to?—A. The Secretary of the Treasury.

Q. Did your commission come from him?—A. Yes, sir; it did.

Q. In regard to the sales of merchandise where you have been a party, you have originated a good many seizures, did you not?—A. Not a great many aside from those *in personam* cases—perhaps fifteen or twenty.

Q. How were those goods sold?—A. I don't know, sir. I never attended their sale, and never looked after the goods after the seizure was made. I have obtained the evidence upon which to seize goods.

Q. You can't give us any information about the method of the sale or where it takes place?—A. No, sir; I don't know where it takes place.

Q. Is it embraced in these auctions of unclaimed goods at all?—A. I suppose so; it must be.

Q. Are they catalogued, a description of the articles seized, and so exposed for sale, or about the same as the catalogues we have seen of the unclaimed goods?—A. Yes, sir; I suppose it is a part of that.

Q. About this descriptive?—A. I suppose it is a part of that. I suppose it goes in as unclaimed goods; all that is not released upon paying.

Q. Have you ever observed that the proceeds of the sale fell short of what you supposed the value of the goods to be?—A. I have discovered where I have caused seizures to be made of liquors, cigars, and goods of that kind, that, after paying duties, there wasn't much of anything left; I have discovered that I have not received much from it.

Q. Has that been a constant experience with you, that the proceeds of sale fell short of what you imagined?—A. I very seldom learn not to expect much.

Q. You having pursued this subject of frauds on the revenue, will you state in what cases can it be that under our system of *ad valorem* duties a merchant can cheat the Government without the collusion of some one in the Government employ?—A. On *ad valorem*?

Q. Yes, sir.—A. Well, only by having incompetent officers in the appraiser's department, or careless ones.

Q. Has not the Government the means of self-protection, you understand me?—A. In the appraiser's department?

Q. In all matters relating to the importation of goods and the assessment of duties.—A. You spoke of *ad valorem* duties.

Q. Yes, because I think there you depend upon appraisement.—A. Altogether; that depends upon the appraisement, and I think that the great difficulty in the appraiser's department, as at present constituted, is, that the men who have actually examined the goods and verified them are men who are paid entirely too small for the position, and that men competent for those positions cannot be obtained for those positions, and if obtained, they will not remain for any length of time.

Q. I have no doubt your commentary is just, but it is not an answer to my question. I want to know the facts from you whether there can be a successful fraud upon the revenue by a merchant, unless some agent of the Government, some custom-house official, shall, either through direct fraud or through incompetency, assist him in perpetrating that fraud?—A. I will give you an instance where a merchant can commit a fraud without any collusion with an appraiser and weigher. I will take it on the article of wool. All carpet wool costing 12 cents a pound at the last place of exportation, including charges, pays a duty of 6 cents; all under 12 cents pays a duty of 3 cents. A man buys 99,000 pounds of wool; he pays \$12,000 for it; the duty on that would be \$5,940. Instead of invoicing it at its true weight he invoices it at 101,000 pounds, in which case the duty would be \$3,030, by overstating his quantity. I have no doubt just such cases occur.

Q. But even in that case is there no appraisement, or examination here to know whether that wool has been properly invoiced or not?—A. The invoice goes to the appraiser. The appraiser takes the face of the invoice—the cost. He divides that by the number of pounds. If it costs less than 12 cents by the face of the entry, he classifies it as 3-cent wool, which he places upon the face of the invoice and on the face of the entry.

Q. What are your methods of detecting whether the wool has been invoiced at a lower rate than it really costs?—A. By taking those returns and comparing them with the weigher's returns, and seeing if the wool does not actually fall short of the weight.

Q. Is that a good test?—A. Certainly.

Q. Have you stated the only case now?—A. No; but that will elucidate a great many cases where the rate of duty depends upon the classification, depends upon the appraiser's department, that is, by overstating the quantity.

By the CHAIRMAN:

Q. By overstating the quantity you reduce the classification?—A. Yes, sir.

By Mr. BAYARD:

Q. But the quantity can be weighed and ascertained in that way by the Government?—A. Yes, sir; but the Government officer seldom looks for cheats on that side.

Q. But still he can find it out if he is competent and wide awake to his duty?—A. Yes, sir.

Q. There is no doubt about that?—A. There is no doubt about that; if the liquidating clerk understood the law, and, by the way, each one should be thoroughly conversant with the revenue law.

Q. Now it strikes me that your illustration has shown one case difficult of detection but still it has not shown a case where an accomplished and faithful officer would not protect the interests of the revenue.—A. I don't see how the liquidating clerk would have his attention called to it. The classification is made in the appraiser's department, without any knowledge whatever of what that weight may turn out when weighed.

Q. If he attended to his business he would know what the tariff duties were?—A. Yes, sir; but the appraiser puts his classification on the invoice without knowledge of the weigher's return. There is no point at which this classification of the appraiser and the weight returned by the weigher ever comes together before any officer whose duty it is to look at that thing.

Q. Is it not the custom of the appraiser's office and the power of the officers to have knowledge of the state of the market and the price of commodities at the point of export, so that they can in that way tell whether the invoice is correct or not?—A. I suppose it is to know very nearly; importers will pay 35 per cent. *ad valorem* duty or 50 per cent., depending upon the number of threads to the square inch, and a false classification often passes through unobserved.

Q. That is because the persons are either careless or incompetent or corrupt?—A. Yes; one of the three.

Q. If neither of the three, can the Government lose its duties?—A. They can in the cases of classification that I mentioned.

Q. Are there any other cases in which the Government can be defrauded without the collusion or neglect of its agents?—A. Yes; from the ignorance of its agents.

Q. I say ignorance or collusion.—A. You said neglect or collusion, I say add ignorance.

Q. That is not the fault of the merchant?—A. Not unless he takes advantage of it.

Q. The Government has the choice of its own agents, and could protect itself?—A. Yes.

By Mr. HOWE:

Q. I do not know but you have answered the same question. Mr. Payson, I think, said something about your suggesting to him a different course, did he not; do you remember?—A. Yes. I remember that conversation. Mr. Payson came to my office after the books were in my office, and I had the statement made up showing a difference between his books and the weight upon which he had paid duty; and Mr. Payson said that there had been no fraud whatever on their part. I said that perhaps he had not better assume that position unless he was sure of his ground. I think Mr. Payson stated—I said what he claimed, I think, with regard to that; and then he asked me what the penalty would be, and I had the statement—I think the same one I have here in my pocket now; and I showed him what the value was, but there never was any talk with him about accepting any less sum, or anything of that kind, because there was no talk of compromise in that case.

Q. Have you been in the habit of keeping books and papers a long time when you have seized them?—A. No, sir; I think there has been very little complaint, so far as I am concerned, in that respect; I have contrived to get rid of them as soon as I could.

Q. Have you books and papers now in your possession belonging to merchants?—A. I think I have three or four books; one is the weight-book of a firm where the whole significance of the evidence depends upon the original entries—the handwriting of the man who made them; and that book was not required for current business, and was retained, and another one is a book containing copies of original letters sent by the firm, in which they state how much they had made by their frauds; and that book is there. There is, perhaps, four or five there.

Q. These books are books which have been seized under warrants?—A. Yes, sir; they are retained for evidence.

By Mr. BAYARD:

Q. Did I understand you to say that you had never offered or suggested any sum by way of compromise or settlement to any one of these people?—A. The suggestion always came from them; I always refused to suggest.

Q. Never made any demand?—A. No, sir; only demanding the whole amount; we always demand that.

Q. You speak of a number of persons whom you detected in fraud in the different departments of the custom-house—weighers, inspectors, clerks, and so on?—A. Yes, sir.

Q. I will ask you whether, in any of these cases, there has been a prosecution to conviction?—A. I think not.

Q. In how many of the cases have there been indictments found?—A. I think I have procured five indictments since I have been in.

Q. What has become of them?—A. Three of them were discontinued—*nolle pros.* entered by the United States attorney—and the others were still pending; and then

there were some cases that have not arrived to a state of indictment. Those are cases over which I have no control.

Q. I ask whether there had been any single case of prosecution to conviction in any of the frauds which you have discovered, since your employment in the custom-house?
—A. No, sir; conviction in New York is a very difficult thing.

Q. I didn't ask you about that. I now ask you—you say there have been five persons indicted?—A. Yes, sir.

Q. Of these, three have been nolle prossed?—A. Yes.

Q. Two remain still pending?—A. Yes, sir; I think so.

Q. What two are they?—A. General Egan and Colonel Webb.

Q. When were they found?—A. Eighteen hundred and sixty-nine, I think.

Q. Two years ago?—A. Three, nearly; two years ago this fall past, I think; I think they were found in the December term; I don't know what time during the term.

Q. Where are the parties?—A. I understand General Egan is in Washington, and Colonel Webb—I don't know his whereabouts.

Q. What is Mr. Egan's employment in Washington?—A. I have not the remotest idea; I presume he is running a faro-bank, or something of that kind.

By Mr. CASSERLY:

Q. Did you state the given name of Egan?—A. Thomas W. Egan.

By Mr. PRATT:

Q. Have you found that there was any indisposition on the part of the grand juries to indict men when their goods had been seized and condemned by a proceeding *in rem*, or where the goods, having entered into consumption, they had been prosecuted for the value of the fraudulent importations. Have you found, I mean to say, a want of disposition upon the part of grand juries to indict men under such circumstances?—A. I have been told by the United States attorneys that there was a want of disposition on the part of grand juries. It is a matter which I could not know personally about. I have also been told, from the time I commenced here, that it was useless to try to convict men of violating the revenue law in New York City, for that was not the way they did it here—that is, criminally. I will say, however, that I tried, for six or eight months after coming here, my best to secure criminal convictions. In all cases of these collusions it is very difficult to get satisfactory evidence to have your evidence beyond a doubt, in order to secure a conviction criminally. While the evidence will be sufficient to warrant a recovery on a suit for value, where the weight of testimony prevails, yet, on a criminal prosecution, I would be informed by the prosecuting officers that there would be too much ground for doubt, and I have found difficulties all the way. I found it before the United States commissioners, where I thought the cases were very clear.

Q. And wherever there was a reasonable doubt the judges instructed the jury that they shall acquit, I suppose?—A. Certainly. Our cases all come first, in cases of arrest here. We most always come before a United States commissioner, who is merely a committing magistrate. If he discharges a prisoner, that is the end of it; we cannot procure an indictment, and I find it very hard paddling up stream to get convictions in New York.

By Mr. CASSERLY:

Q. You don't mean to say that the fact that a man is discharged by the commissioner is any good ground, or, rather, any bar, in law against their being indicted by the grand jury?—A. I don't say that it is any bar in law. I know it is not, but we find it a bar in point of fact in New York City.

Q. Who connected with the district attorney's office has complained to you of the difficulty of getting indictments from the grand jury, in the cases mentioned by Senator Pratt?—A. I have had talks with Judge Davis, and also with Judge Pierrepont. I have talked with them frequently upon questions of that kind. I have been very anxious to find some case of a prominent importer for an example.

Q. That is, I suppose, a sufficient answer to my question; but I want to ask you whether, in your experience, you haven't found it very often the case that the public prosecutor and the grand jury don't agree as to the weight of evidence before the grand jury?—A. It appears so. It appears that the grand jury refuse to find indictments when the public prosecutor wants them.

Q. Is not that a common difference of opinion?—A. It is everywhere, I suppose.

Q. And in all classes of cases?—A. Yes; I suppose so.

A statement as to the mode of weighing, and the liability of the Government being defrauded, asked for by Mr. Stewart, is to be presented by the witness and appended to his evidence.

On motion of Mr. Bayard, the committee ordered the following list to be made a part of the evidence of this witness:

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York from March 1, 1869, to December 30, 1871, as called for by Committee on Investigation and Retrenchment, under date of January 16, 1872.

FOR THE MONTH ENDING MARCH 31, 1869.

Description of goods.											
No. of seizure.	Date of seizure:						Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acct-current.	
5319	3020	Feb. 11, 1868	United States vs. 200 cases and 40 kegs royal Italian bitters, (fine)					\$100 00			\$100 00
5320	4029	Oct. 12, 1868	United States vs. canal-boat D. H. Curry, &c., (penalty)					50 00			50 00
5321	4219	Nov. 27, 1868	United States vs. 84 1-10 boxes cigars					815 00	\$113 10	\$466 50	235 40
5322	4224	Oct. 16, 1868	United States vs. canal-boat John H. Roberts, (penalty)					50 00			50 00
5323	4225	Oct. 16, 1868	United States vs. canal-boat Midway, (penalty)					50 00			50 00
5324	4226	Oct. 19, 1868	United States vs. canal-boat Alex. M. Gray, &c., (penalty)					50 00			50 00
5325	4233	Dec. 14, 1868	United States vs. canal-boat George B. Daniels, (penalty)					50 00			50 00
5326	4238	Dec. 7, 1868	United States vs. canal-boat Julia Shepard, (penalty)					50 00			50 00
5327	4256	Dec. 8, 1868	United States vs. H. M. Kinnie, &c., (penalty)					50 00			50 00
5328	4263	Dec. 14, 1868	United States vs. canal-boat W. M. Parks, (penalty)					50 00			50 00
		Total					1,315 00	113 10	466 50	735 40	

Claim of collector.			Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
5319	H. A. Smythe	\$25 00			A. Wakeman	\$25 00	No informer or seizer	
5320	do	6 25			do	6 25	Samuel Hopper	\$12 50
5321	do	29 42			do	29 43	A. N. Shearer, C. F. Kane, and W. H. McCrum.	58 85
5322	do	6 25			do	6 25	Samuel Hopper and T. W. Stevens	12 50
5323	do	6 25			do	6 25	do	12 50
5324	do	6 25			do	6 25	do	12 50
5325	do	6 25			do	6 25	do	12 50
5326	do	6 25			do	6 25	do	12 50
5327	do	6 25			do	6 25	do	12 50
5328	do	6 25			do	6 25	do	12 50
		104 42				104 43		158 85

NOTE.—Share reserved for United States, one half amount, under head "Net proceeds, &c.," \$367.70.

Abstract of fines, penalties, and forfeitures received under the decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING APRIL 30, 1869.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
5965	1679	Nov. 17, 1866	United States vs. 90 quarter casks sherry wine, (judgment)	\$5,750 00	\$260 75	.....	\$5,489 25
5966	3876	Sept. 16, 1866	United States vs. 1 case, R. Wilson, containing merchandise	595 38	156 24	\$178 61	260 53
5967	3960	Oct. 1, 1868	United States vs. 40 1-10 boxes cigars, &c.	765 00	134 40	406 65	223 95
5868	4079	Oct. 22, 1868	United States vs. 6,600 cigars	412 50	109 58	.....	302 92
	4443	} Feb. 8, 1869	G. W. Sachse, 2 cases merchandise. Compromise authorized by Sec'y of the Treasury April 7, 1869.	1,186 80	.....	1,186 80	.....
	4446		Steamer The Queen, from Liverpool, silks, &c. Compromise authorized by Secretary of the Treasury April 7, 1869.	1,952 00	.....	894 96	1,057 04
5969	4444	Feb. 9, 1869	Total.....	10,661 68	660 97	2,667 02	7,333 69
	Name of collector.	Claim of naval officer.	Claim of surveyor.	Claim of informer or seizer.			
5965	H. A. Smythe	\$686 15	\$686 16	W. B. Farwell			\$1,372 31
5966	do	32 56	32 56	T. C. Leland			65 14
5967	do	27 99	27 99	Jos. Hertford			55 99
5968	do	37 86	37 87	T. C. Leland			75 73
				A. N. Shearer, R. P. H. Abell, G. W. Kirk, and J. F. Chalker.			.....
5969	H. A. Smythe	132 13	132 13	W. H. Doty and R. P. H. Abell			264 26
		916 69	916 71				1,833 43

NOTE.—Share United States, \$3,666 85.

Abstract of fines, penalties, and forfeitures received under the decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING MAY 31, 1869.

No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
5997	2318	Aug. 20, 1867	United States vs. John W. George <i>et al.</i> Received from clerk of court			
5998	3840	Sept. 10, 1868	United States vs. propeller R. S. Carter, (penalty)	\$175 50		\$125 50
5999	3955	Oct. 1, 1868	United States vs. canal-boat L. J. Wheelock, (penalty)	20 00		20 00
6000	4028	Oct. 12, 1868	United States vs. canal-boat A. L. Griffin, (penalty)	50 00		50 00
6001	4032	Oct. 12, 1868	United States vs. canal-boat Matilda Bartlett, (penalty)	50 00		50 00
6002	4222	Nov. 30, 1868	United States vs. canal-boat W. C. Streeter, (penalty)	50 00		50 00
6003	4277	Dec. 1, 1868	United States vs. canal-boat I. Harris, (penalty)	50 00		50 00
	4412	Jan. 26, 1869	United States vs. 80 1-10 boxes cigars, &c.	50 00		50 00
		Total	823 07	141 71	\$631 36	
			1,268 57	191 71	681 36	395 50

No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
5997	H. A. Smythe	Claim of collector.	\$15 58	Claim of naval officer.	Claim of surveyor.	Claim of informer or seizer.
5998	do		2 50	A. Wakeman	do	E. D. Webster, R. G. Moulton, and I. S. Beecher, as per decree of court.
5999	do		6 25	do	do	Samuel Hopper
6000	do		6 25	do	do	do
6001	do		6 25	do	do	do
6002	do		6 25	do	do	do
6003	do		6 25	do	do	do
			49 43		49 44	S. Hopper and T. W. Stevens.
						A. N. Shearer and C. F. Kane.
						98 88

NOTE.—Share United States, \$197 75.

Abstract of fines, penalties, and forfeitures received under the decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JUNE 30, 1869.

No. of seizure.	Date of seizure.	Description of goods.	Claim of collector.				Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.				Net proceeds to be credited in acct current.	
			H. A. Smythe		\$6 25		.....		A. Wakeman		\$6 25		S. Hopper and T. W. Stevens.....			\$12 50
6121	Jan. 7, 1869	United States vs. canal-boat Mattie Collins, (penalty).....											Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	\$50 00
													\$50 00			\$50 00

Share United States, \$25.

Abstract of fines, penalties, and forfeitures received under the decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JULY 31, 1869.

		Description of goods.		Gross proceeds of sale.		Expenses.		Duties to be entered in customs account.		Net proceeds to be credited in acc't-current.	
No. of seizure.	Date of seizure.										
6728	Feb. 7, 1868	United States vs. 2,500 cigars		\$500 00		.....		.....		\$500 00	
6729	Oct. 20, 1868	United States vs. one diamond ring, &c.		3,197 00		.....		\$1,302 27		1,602 14	
6239	Nov. 30, 1868	United States vs. 21 packages jewelry, &c.		417 50		.....		.....		316 71	
6240	Dec. 10, 1868	United States vs. 186 dozen kid gloves, &c.		1,978 42		.....		754 12		992 89	
	Jan. 30, 1869	United States vs. 2 boxes D 4, containing printed music		85 00		.....		.....		.....	
		Total.....		6,177 92		709 79		2,056 39		3,411 74	
		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.			
6728	H. A. Smythe	\$62 50				A. Wakeman	\$62 50	E. D. Webster, A. N. Shearer, and L. J. Kirk		\$125 00	
6729	do	200 27				do	200 27	A. N. Shearer and J. S. Chalker		400 53	
6239	do	39 59				do	39 58	T. C. Leland		79 18	
6240	do	124 11				do	124 11	do		248 22	
								No informer or seizing-officer.			
		426 47					426 46			852 93	

Share United States, 1,705 87.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING SEPTEMBER 30, 1869.

No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
6754	3296	Apr. 20, 1868	United States vs. canal-boat Capitola, &c., (penalty)	\$120 00	\$49 00	\$71 00
6755	4113	Oct. 29, 1868	United States vs. 149 bundles human hair	721 08	130 12	385 06
6762	4215	Nov. 24, 1868	United States vs. 16 cases silks, &c.	32,905 00	1,211 17	16,391 59
6756	4413	Jan. 18, 1869	United States vs. 69 1-10 boxes cigars	457 12	119 63	337 49
6757	4483	Feb. 15, 1869	United States vs. 11,075 cigars	160 00	95 54	64 46
6758	4964	June 1, 1869	United States vs. 26 guard-chains, &c.	1,380 00	108 22	975 85
6759	4965	June 1, 1869	United States vs. 17 pieces silver ware, &c.	1,650 00	117 67	1,043 16
6760	4966	June 1, 1869	United States vs. 35 finger-rings, &c.	6,470 00	286 37	4,798 43
6611	5206	Aug. 11, 1869	Merchandise released on payment of appraised value, 2 shawls taken from A. M. Coffin, passenger per steamer Lafayette, from: Havre, authorized per Secretary's letter, September 13, 1869.	651 00	.....	461 00
6767	4967	June 2, 1869	United States vs. one trunk marked H. S., and other property	321 87	131 41	190 46
		Total	44,836 07	2,249 13	17,868 44	24,718 50

	Claim of collector.	Claim of naval officer.	Claim of surveyor.	Claim of informer or seizer.		
6754	H. A. Smythe	\$8 88	A. Wakeman	\$8 87	S. Hopper	\$17 75
6755	do	48 13	do	48 14	A. N. Shearer	96 26
6762	do	2, 048 95	do	2, 048 95	R. Haltzinger	4, 097 89
6756	do	42 18	do	42 18	A. N. Shearer and C. F. Kane	84 38
6757	do	8 06	do	8 05	W. B. Winslow	16 12
6758	M. H. Grinnell	81 32	A. B. Cornell	81 32	M. E. Voorhees and S. H. Tuthill	243 96
6759	do	86 93	do	86 93	L. J. Kirk, E. F. Burton, J. S. Chalker, C. L. Lawrence, and A. Miller.	260 79
6760	do	399 87	do	399 87	L. J. Kirk, E. F. Burton, J. S. Chalker, C. L. Lawrence, and A. Miller.	1, 199 61
6611	do	38 42	do	38 41	L. J. Kirk, James Lee, J. S. Chalker, A. Miller, and D. L. Beckwith.	115 25
6767	do	15 87	do	15 87	E. F. Burton, A. Ware, jr., and G. L. Condit.	47 62
		632 40		2, 778 59		6, 179 63

NOTE.—Share United States, \$12,359.25.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING OCTOBER 30, 1869.

No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
7137	4244	Dec. 2, 1868	United States vs. 2 boxes containing 48 packages precious stones			\$248 56
7138	4451	Feb. 4, 1869	United States vs. 2 casks A. R. aguardiente	\$110 69		377 77
7139	4556	Mar. 5, 1869	United States vs. 15 pieces black silk, &c.	115 03		2,547 00
7140	5032	June 19, 1869	United States vs. 20 1-10 boxes cigars	476 08	\$2,107 52	118 96
7141	5040	June 18, 1869	United States vs. 33 1-10 boxes cigars	165 76	311 78	136 40
7142	5089	July 12, 1869	United States vs. 100 1-10 boxes cigars	133 44	265 36	319 40
7143	5652	July 9, 1869	United States vs. canal-boat G. N. Lewis, (penalty)	179 50		50 00
7144	5653	Jan. 18, 1869	United States vs. canal-boat G. K. Ingalls, (penalty)			50 00
7145	5654	July 3, 1869	United States vs. propeller A. F. Willmarth, (penalty)			20 00
7146	5656	July 2, 1869	United States vs. propeller Plato, (penalty)			20 00
7147	5657	July 3, 1869	United States vs. barge S. T. Maddox, (penalty)			20 00
7148	5658	July 2, 1869	United States vs. propeller May Queen, (penalty)			20 00
7149	5659	July 2, 1869	United States vs. propeller G. B. Hutchins, (penalty)			20 00
7150	5660	Aug. 3, 1869	United States vs. sloop A. M. Bliss, (penalty)			50 00
7151	5661	Aug. 3, 1869	United States vs. propeller A. M. Bliss, (penalty)			20 00
7152	5662	Aug. 10, 1869	United States vs. propeller A. G. Cattell, (penalty)			50 00
7153	5663	Aug. 10, 1869	United States vs. propeller Olive Baker, (penalty)			50 00
7204	5332	Sept. 17, 1869	Appraised value of 1,872 boxes herring, imported by Theo. Stimpson per schooner Addie P. Stimpson, see Secretary's letter, September 21, 1869.		116 25	445 35
Total.....			8,545 84	1,180 50	2,800 91	4,564 43

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
7137	H. A. Smythe				\$31 07	S. E. Harrison, J. L. Chapman, and W. M. Peebles	\$62 14
7138	do			A. Wakeman	47 22	W. H. McCrum and A. W. Billings	94 44
7139	do			do	318 50	W. H. Doty and J. S. Bangs	637 00
7140	M. H. Grinnell			do	9 92	John Wiley and S. Birdsall	29 74
7141	do	E. A. Merritt	\$9 91	A. B. Cornell	11 37	W. L. Judd, L. Jones, and G. K. Cooke	34 10
7142	do	do	11 37	do	26 62	J. F. Peck, G. L. Steele, and E. F. Burton	79 85
7143	do	do	26 61	do	4 17	Samuel Hopper	12 50
7144	do	do	4 16	do	6 25	do	12 50
7145	H. A. Smythe			A. Wakeman	1 67	do	5 00
7146	M. H. Grinnell			A. B. Cornell	1 67	do	5 00
	do	E. A. Merritt	1 67	do	1 66	do	5 00
	do	do	1 67	do	1 66	do	5 00

7147	do	1 67	do	1 66	do	1 67	do	5 00
7148	do	1 66	do	1 67	do	1 67	do	5 00
7149	do	1 67	do	1 67	do	1 66	do	5 00
7150	do	4 17	do	4 16	do	4 17	do	12 50
7151	do	1 67	do	1 66	do	1 67	do	5 00
7152	do	4 17	do	4 16	do	4 17	do	12 50
7153	do	4 17	do	4 16	do	4 17	do	12 50
7204	do	37 11	do	37 12	do	37 11	T. R. Toole	111 34
		514 73		111 65		514 73		1,141 11

NOTE.—Share United States, \$2,282.22.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING NOVEMBER 30, 1869.

		Description of goods.							
No. of seizure.	Date of seizure.							Gross proceeds of sale.	Net proceeds to be credited in account-current.
7387	Sept. 28, 1867	United States vs. 34 bales (J) 1-34 rags							
	2521	United States vs. 30 bales P 35-65 rags						\$3,563 63	
	5144	United States vs. 4 cases glass buttons R B # 859-862						398 70	\$1,964 67
		Total						3,962 33	\$288 71
								1,709 85	287 81
								1,964 67	
								Claim of informer or seizer.	
		Claim of collector.		Claim of naval officer.		Claim of surveyor.			
7387	M. H. Grinnell								
		\$47 97		\$47 96		\$47 97		No informer or seizer	
		47 97		47 96		47 97			

NOTE.—Share United States, \$143.91.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JANUARY 31, 1870.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
7798	313	Aug. 15, 1864	15 bales of wool, marked J. F.	\$250 00	\$62 40	.....	\$187 60
7799	329	Sept. 1, 1864	30 baskets champagne, marked Chas. H.	500 00	77 20	.....	422 80
7800	1511	Sept. 24, 1866	1 bale, B. S. # 613, woollens.	1, 077 00	101 19	(*)	975 81
7801	4808	Apr. 24, 1869	One case, G. N. # 858, albumen	698 00	133 31	176 54	388 15
7802	4960	May 28, 1869	2 packages containing 28 gold watches, &c.	1, 854 15	247 74	430 46	1, 175 95
7803	5847	Oct. 21, 1869	Steam-propeller President	50 00	.....	.....	50 00
7804	5848	Oct. 27, 1869	Steam-propeller M. Kalbfleisch	50 00	.....	.....	50 00
8048	5889	Jan. 13, 1870	Julius Beer, Joseph Arvee, and Solomon Haas	41, 346 12	1, 285 59	.....	40, 060 53
7805	6050	Oct. 20, 1869	M. Knoedler	6, 000 00	221 75	.....	5, 778 25
			Total.....	51, 825 27	2, 129 18	607 00	49, 089 09

	Claims of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
7798	Hiram Barney	\$31 27	George Denison	\$31 27	R. F. Andrews	\$31 27	None	.....
7799	do	35 23	do	35 23	do	35 24	S. D. Jones	.....
7800	H. A. Smythe	162 64	C. S. Franklin	162 63	A. Wakeman	162 63	None	.....
7801	M. H. Grinnell	64 69	E. A. Merritt	64 69	A. B. Cornell	64 69	None	.....
7802	do	98 00	do	97 99	do	97 99	L. J. Kirk, J. L. Chapman, W. M. Peebles	293 99
7803	do	4 16	do	4 17	do	4 17	S. Hopper	12 50
7804	do	4 17	do	4 16	do	4 17	do	12 50
8048	do	3, 338 37	do	3, 338 38	do	3, 338 38	B. G. Jayne	10, 015 13
7805	do	481 52	do	481 52	do	481 52	L. J. Kirk	1, 444 56
	Total.....	4, 220 05		4, 220 04		4, 220 06		1, 188 38

NOTE.—^a Paid on entry. Share United States, \$24,544.55.

FOR THE MONTH ENDING FEBRUARY 28, 1870.

No. of seizure.		Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in next-current.
8117	2025	May 27, 1867	112 boxes cigars.	\$204 60	\$58 07		\$146 53
8118	2032	June 20, 1867	30 pieces sail-duck, &c., released per order of court.	476 00	98 20		377 80
8119	2089	June 29, 1867	44 barrels cigarettes.	252 50	54 52		227 98
8120	2126	June 29, 1867	3 double-barrel guns, &c.	1,538 66	217 09	\$207 36	1,114 21
8121	4600	Mar. 12, 1869	14 gold chains, 13 gold lockets, &c.	787 22	145 10	490 80	145 32
8122	4614	Mar. 15, 1869	45 pieces containing 618 yards silk laces.	2,235 15	249 38	870 48	1,115 29
8123	5170	Aug. 4, 1869	77 pieces silk lace.	1,103 67	199 82	233 29	670 56
8124	5195	Aug. 10, 1869	Table-linen, silks, &c.	807 87	157 56	302 76	347 55
8125	5323	Sept. 10, 1869	Shawls, silks.	374 22	117 11		257 11
8126	5467	Oct. 13, 1869	Nutmegs.	1,225 00	102 49	193 86	928 65
8127	5839	Jan. 22, 1870	Eight horses.	36,751 60	1,145 51		35,606 09
8885	5962	Feb. 26, 1870	Emanuel Hoffman.	45,786 49	2,544 85	2,304 55	40,937 03
Total.....							

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
8117	H. A. Smythe	\$18 32		A. Wakeman	\$18 31	J. S. Chalker, R. Barry, and J. E. Hunt	\$36 63
8118	do	47 22		A. Wakeman	47 23	E. D. Webster, L. J. Kirk, J. S. Chalker, and C. F. Kane.	94 45
8119	do	28 50		do	28 49	J. Pierson, first lieutenant revenue service.	113 99
8120	do	139 27		do	139 28	A. N. Shearer, J. S. Chalker, A. Miller, and C. L. Lawrence.	278 55
8121	do	18 17		do	18 16	A. N. Shearer, J. S. Chalker, and C. L. Lawrence.	36 33
8122	M. H. Grinnell	92 94	\$92 94	A. B. Cornell	92 94	Arthur Miller, James Lee, L. J. and G. W. Kirk.	278 82
8123	do	55 88	55 88	do	55 88	W. D. Case.	167 64
8124	do	28 96	28 96	do	28 96	J. F. Peck, G. L. Steele, J. L. Chapman, and W. M. Peebles.	86 89
8125	do	21 42	21 42	do	21 43	L. J. Kirk and C. L. Lawrence.	64 28
8126	do	77 39	77 39	do	77 38	William Freeman.	232 16
8885	do	2,967 17	2,967 17	do	2,967 17	B. G. Jayne	8,901 53
Total		3,495 24	3,243 76		3,495 23		10,291 27

NOTE.—Share United States, \$20,468.55.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING MARCH 31, 1870.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.		Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acct-current.
				Coin.			Coin.	
8385	1687	Nov. 22, 1866	4 quarter-casks V. & B. sherry wine, &c.	\$3,163 00		\$170 00		\$2,992 80
8386	5802	Jan. 10, 1867	Steamboat Meta, &c.	500 00				500 00
8387	6012	Feb. 26, 1867	Steamboat Wilmington, &c.	50 00				50 00
8388	6031	Mar. 5, 1867	Steamboat Delaware, &c.	70 00				70 00
			Total.....	3,783 00		170 00		3,612 80

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
8385	H. A. Smythe	\$249 49	C. S. Franklin	\$249 40	A. Wakeman	\$249 40	W. B. Farwell	\$748 20
8386	do		do		do		S. Hopper	250 00
8387	M. H. Grinnell	4 16	C. A. Merritt	4 17	A. B. Cornell	4 17	do	12 50
8388	do	5 84	do	5 83	do	5 83	do	17 50
		259 40		259 40		259 40		1,028 20

NOTE.—Share United States, \$1,806 40.

FOR THE MONTH ENDING APRIL 30, 1870.

		Description of goods.		Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acct-current.
No. of seizure.	Date of seizure.						
8677	Oct. 26, 1866	1623	25 quarter-casks sherry wine, (coin)	\$2,750 00	\$155 95	.....	\$2,594 05
8678	Oct. 26, 1866	1624	73 quarter-casks sherry wine, (coin)	2,750 00	155 75	.....	2,594 25
8679	Nov. 7, 1866	1652	2 quarter-casks sherry wine, &c., (coin)	1,354 08	106 89	.....	1,247 19
8680	Nov. 9, 1866	1661	52 quarter-casks sherry wine, &c.	1,200 00	101 50	.....	1,098 50
8681	Mar. 19, 1869	4631	4 cases gloves	2,865 23	293 87	\$282 24	2,289 12
	Oct. 30, 1869	5518	4 boxes steel pens	555 09	144 97	410 12	.....
8682	Nov. 20, 1869	5590	5 barrels nutmegs	647 08	147 91	400 85	98 32
8683	Dec. 15, 1869	5715	1 trunk, &c., silk-lace goods, &c.	9,500 00	392 12	6,145 73	2,962 15
8684	Dec. 20, 1869	5734	52 pounds opium	609 87	123 71	146 25	339 91
8962	Dec. 30, 1869	5735	472 pounds nutmegs	519 68	134 30	291 15	94 23
8685	Jan. 27, 1870	5867	Ship John Bertram, her tackle, &c.	1,000 00	.....	.....	1,000 00
Total.....				23,751 03	1,756 97	7,676 34	14,317 72

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer of seizer.		
8677	H. Smythe	\$216 17	C. S. Franklin	\$216 17	A. Wakeman	\$216 17	W. B. Farwell	\$648 51
8678	do	216 18	do	216 19	do	216 19	do	648 56
8679	do	103 94	do	103 93	do	103 93	do	311 79
8680	do	91 54	do	91 54	do	91 54	do	274 63
8681	do	190 76	do	190 76	do	190 76	David Solomon	572 28
	M. H. Grinnell	.....	E. A. Merritt	.....	A. B. Cornell	.....	N. M. Curtis	.....
8682	do	8 19	do	8 20	do	8 19	L. J. Kirk	24 58
8683	do	246 84	do	246 84	do	246 85	E. F. Burton	740 54
8684	do	28 33	do	28 32	do	28 32	J. S. Priest	84 98
8962	do	7 85	do	7 85	do	7 85	L. J. Kirk, C. L. Lawrence, and J. H. Green	23 56
8685	do	83 34	do	83 33	do	83 33	B. G. Jayne	250 00
Total		1,193 14	.....	1,193 13	.....	1,193 13	.....	3,579 43

NOTE.—Share of United States, \$7,158.86.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING MAY 31, 1870.

Description of goods.										
No. of seizure.	Date of seizure.					Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.	
8791	5101	July 14, 1869	50½ yards dress goods, &c.				\$1,052 81	\$175 14	\$397 44	\$480 23
8792	5151	July 28, 1869	5 gold hunting-case watches, &c.				1,084 00	177 74	278 88	627 38
8793	5171	Aug. 4, 1869	1 black-lace shawl and 1 black-lace veil.				278 55	98 40		180 15
8794	5312	Sept. 11, 1869	Gold chains, &c.				438 20	116 52		321 68
	5412	Oct. 5, 1869	15,581 cigars.				770 40	280 02	490 38	
8795	5536	Nov. 12, 1869	6 pieces black silk, 219 lace collars, &c.				970 73	162 00	340 86	467 87
8796	5574	Nov. 15, 1869	6 pieces black silk, &c.				396 62	121 55		275 07
8797	5979	Feb. 17, 1870	Louis Shuller.				5,604 43	107 09		5,497 34
8798	6140	Apr. 4, 1870	Julius Nieymer and Henry Smith				753 48	15 07		738 41
		Total.....				11,349 22	1,253 53	1,507 56	8,588 13	

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		
8791	M. H. Grinnell.....	\$40 02	E. A. Merritt	\$40 02	A. B. Cornell	\$40 02	J. L. Chapman and W. M. Peebles.....	\$120 05
8792	do	52 28	do	52 28	do	52 28	Emery N. Moore.....	156 85
8793	do	15 01	do	15 01	do	15 01	L. Schermerhorn and J. L. Chalker	45 04
8794	do	26 80	do	26 81	do	26 81	H. M. Williams	80 42
	do		do		do		J. S. Garland	
8795	do	38 99	do	38 99	do	38 99	D. Meeks and A. C. Tate	116 96
8796	do	22 92	do	22 92	do	22 92	E. F. Burton, J. S. Chalker, A. C. Tate, and A. Miller.....	63 77
8797	do	458 12	do	458 11	do	458 11	W. B. Farwell.....	1,374 33
8758	do	61 53	do	61 53	do	61 53	J. P. Conklin, jr., J. S. Chalker, and S. G. Clarke.....	184 61
		715 67		715 67		715 67		2,147 03

NOTE.—Share of United States, \$4,294.07.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JUNE 30, 1870.

Description of goods.									
No. of seizure.	Date of seizure.					Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acct-current.
9590	533	Feb. 1, 1865	Leather gloves			\$600 00		(*)	\$600 00
9400	5716	Dec. 16, 1869	90 pieces black silk, &c.			10,249 97	\$945 58	\$4,534 63	4,769 76
9401	5730	Dec. 18, 1869	Silk gloves, &c.			8,246 90	784 24	3,025 90	4,436 76
9402	5760	Dec. 24, 1869	533 pieces printed cottons, &c.			3,310 50	401 29	1,209 76	1,699 45
9591	5765	Dec. 24, 1869	Cigars			532 00	142 20	331 45	58 35
	5846	Jan. 21, 1870	548 bottles brandy, &c.			570 23	141 98	428 25	
9592	5909	Feb. 3, 1870	Cigars			2,865 50	422 12	1,181 42	1,261 96
9593	5964	Feb. 10, 1870	15 cases guns			2,350 00		(*)	2,350 00
9594	5992	Feb. 10, 1870	16 cases guns			1,200 00		(*)	1,200 00
9626	6403	June 15, 1870	Felix Miranda			21,849 81	697 99		21,151 82
		Total				51,774 91	3,535 40		37,528 10

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
S. Draper	\$100 00	George Denison	\$100 00	A. Wakeman	\$100 00	None	
M. H. Grinnell	397 48	E. A. Merritt	397 48	A. B. Cornell	397 48	L. J. Kirk, per decree court	\$1,192 44
do	369 73	do	369 73	do	369 73	do	1,109 19
do	141 62	do	141 62	do	141 62	do	424 86
do	4 86	do	4 86	do	4 86	R. Fideau and F. M. Ellis	14 59
do		do		do		B. G. Jayne	
do	105 17	do	105 16	do	105 16	James Lee	315 49
do	195 83	do	195 84	do	195 83	W. B. Farwell	587 50
do	100 00	do	100 00	do	100 00	do	300 00
do	1,762 65	do	1,762 65	do	1,762 65	B. G. Jayne	5,287 96
3,177 34		3,177 34		3,177 33		9,232 03	

NOTE.—Share of United States, \$18,764.05.

* Paid on entry.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE PERIOD OF TIME FROM JULY 1 TO JULY 20, 1870.

	No. of seizure.	Date of seizure.	Description of goods.	Claim of collector.					Claim of naval officer.					Claim of surveyor.					Claim of informer or seizer.				
				Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		Claim of collector.		Claim of naval officer.	
9595	402	Oct. 8, 1864	75 packages R. P. F. champagne	\$10 09	George Denison	\$10 09	A. Wakeman	\$10 08	S. D. Jones			\$221 00	\$99 96										
9596	519	Jan. 20, 1865	7 cases x B 1 H 7 rouge and pomatum	408 03	do	408 84	do	408 84	None			2,609 44	156 42										
9597	2337	Sept. 5, 1867	8 bales woolen goods	123 41	do	123 41	do	123 41	None			2,864 00	312 05										
9598	4696	Mar. 30, 1869	3 cases P & P 244/246 gloves	189 68	do	189 68	do	189 68	D. Solomons			2,306 75	253 17										
9599	5562	Nov. 11, 1869	Brig A. Milliken, her tackle, &c.	223 61	E. A. Merritt	223 61	A. B. Cornell	223 60	T. W. Lay, lieutenant revenue steamer Uno			3,200 00	516 70										
9600	5845	Jan. 22, 1870	16 kegs spirit and 42 bottles brandy	9 89	do	9 89	do	9 89	B. G. Jayne			223 42	104 71										
	5955	Feb. 9, 1870	2 barrels containing 31 bottles oil of bay	168 71	do	168 71	do	168 72	E. B. W. Resticaux, E. F. Burton, and J. L. Chalker			567 50	122 22										
9601	6032	Mar. 9, 1870	4 cases cutlery, marked R. P. 237/240	3,229 63	do	3,229 63	do	3,229 62	None			1,320 00	181 17										
9602	6171	Apr. 13, 1870	John Dymond and James Lally	367 20	do	367 20	do	367 20	B. G. Jayne			40,000 00	1,244 49										
9603	6303	May 18, 1870	2 cases fancy feathers and 2 cases ostrich feathers		do		do		L. J. Kirk and E. F. Burton			6,400 00	283 62										
			Total	4,731 05		4,417 97		4,731 04				59,712 11	3,274 51										
9595				\$10 09	George Denison	\$10 09	A. Wakeman	\$10 08	S. D. Jones														
9596				408 03	do	408 84	do	408 84	None														
9597				123 41	do	123 41	do	123 41	None														
9598				189 68	do	189 68	do	189 68	D. Solomons														
9599				223 61	E. A. Merritt	223 61	A. B. Cornell	223 60	T. W. Lay, lieutenant revenue steamer Uno														
9600				9 89	do	9 89	do	9 89	B. G. Jayne														
					do		do		E. B. W. Resticaux, E. F. Burton, and J. L. Chalker														
9601				168 71	do	168 71	do	168 72	None														
9602				3,229 63	do	3,229 63	do	3,229 62	B. G. Jayne														
9603				367 20	do	367 20	do	367 20	L. J. Kirk and E. F. Burton														
				4,731 05		4,417 97		4,731 04															

NOTE.—Share of United States, \$25,780.70.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE PERIOD OF TIME FROM JULY 21 TO JULY 31, 1870.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
9588	6405	June 16, 1870	I. D. O. Guimares	\$10,000 00	\$342 02	.....	\$9,657 98
9589	6463	July 11, 1870	Peter D. Sturgis <i>et al.</i>	10,000 00	200 00	.....	9,800 00
			Total	20,000 00	542 02	.....	19,457 98
Claim of collector.							
Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
9588	M. H. Grinnell	E. A. Merritt	A. B. Cornell	J. S. Chalker			\$2,414 50
9589	do	do .....	.....	B. G. Jayne			2,450 00
							4,864 50

NOTE.—Share of United States, \$9,728.99.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING SEPTEMBER 30, 1870.

No. of seizure.	Date of seizure.	Description of goods.		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
9858	6073	Mar. 22, 1870	8 cases leather gloves.....									\$4,000 00	\$199 72	.....	\$3,800 28
9859	M. H. Grinnell	\$316 69	E. A. Merritt	\$316 69	A. B. Cornell	\$316 69	L. J. Kirk.....								\$950 07

NOTE.—Share of United States, \$1,900.14.

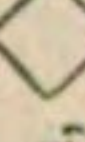
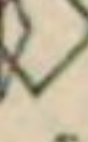
FOR THE MONTH ENDING OCTOBER 31, 1870.

No. of seizure.	Date of seizure.	Description of goods.		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
9857	5051	June 23, 1869	728 1-10 boxes cigars and 98 bundles, 2,450 cigars									\$8,110 96	\$1,079 93	\$3,467 54	\$3,563 49
9857	M. H. Grinnell	\$296 86	E. A. Merritt	\$296 86	A. B. Cornell	\$296 85	L. J. Kirk and C. F. Kane								\$890 87

NOTE.—Share of United States, \$1,781.75.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continue.

FOR THE MONTH ENDING NOVEMBER 30, 1870.

	No. of seiz- ure.	Date of seiz- ure.	Description of goods.	Gross pro- ceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credit- ed in acct. current.
10273	6316	May 17, 1870	24 1-10 boxes, 69 1-20 boxes, 476 bundles cigars and cigarettes	\$629 80	\$182 04	\$323 54	\$124 22
10274	6383	June 10, 1870	7,572 inches poles and spars	229 58	154 10		75 48
10275	6210	May 6, 1870	1 chest, 264 books, silver-leaf	398 64	107 81		290 83
10276	6312	May 17, 1870	41 1-10 boxes and 92 1-20 boxes cigars	966 30	203 45	458 15	304 70
10277	6311	May 17, 1870	60 1-20 boxes and 43 1-10 boxes cigars	838 30	185 99	389 54	262 77
	6162	Apr. 8, 1870	3 barrels 80 bottles oil of bay	1,880 00	215 49	1,664 51	
			(20 pieces hair-cloth, W & R 113, 117, 118.	337 50	6 75		330 75
			10 pieces hair-cloth,  1842, 1843.	150 00	3 00		147 00
10278	5992	Mar. 24, 1870	1 part case leather, C. S. #8060	225 00	4 50		220 50
			8 pieces hair-cloth,  801, 802.	225 00	4 50		220 50
12283	5992-B	Mar. 23, 1870	1,835 pieces colored velvet ribbon, A R L 7014; 990 pieces colored velvet ribbon, A R L 7412	637 50	12 75		624 75
10279	6338	May 26, 1870	21 packages containing lace	872 62	152 79	339 08	380 75
9853	178	Nov. 7, 1870	David Lamb and F. P. Durando, violation of section 66, act of March 2, 1744; section 4, act of May 28, 1820; and section 1, act of March 3, 1863.	15,116 48	489 58		14,626 90
9854	161	Oct. 25, 1870	Alvah Oatman, value of goods imported in violation of section 1, act of March 3, 1868	31,047 18	967 51		30,079 67
9855	169	Oct. 27, 1870	Henry Knight, value of goods imported in violation of section —, act of March 3, 1868, and section —, act of March 2, 1799.	22,531 76	712 04		21,819 72
9856	195	Nov. 18, 1870	Ezra Wheeler, Thomas Roundey, jr., Augustus Ireland, and John V. Wheeler, value of goods im- ported by them in violation of section 1, act of March 3, 1863.	120,817 69	3,661 42		117,156 27
			Total	196,903 35	7,063 72	3,174 82	186,664 81

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
	M. H. Grinnell.	\$10 35	E. A. Merritt.	\$10 35	A. B. Cornell.	\$10 35	H. C. Whiteley and J. H. Young.	\$31 06
10273	do	6 29	do	6 29	do	6 29	H. E. Abell	18 87
10274	do	24 24	do	24 23	do	24 23	J. L. Chapman, M. H. Walker, and J. F. Peck	72 71
10275	do	25 39	do	25 39	do	25 39	H. C. Whiteley and J. H. Young	76 18
10276	do	21 90	do	21 90	do	21 89	James H. Young	65 69
10277	do		do		do		J. S. Chalker	
	do	27 56	do	27 56	do	27 56	W. B. Farwell	82 69
	do	12 25	do	12 25	do	12 25	do	36 75
10278	do	18 38	do	18 37	do	18 37	do	55 13
	do	18 38	do	18 37	do	18 37	do	55 13
	do	52 06	do	52 06	do	52 06	do	156 19
	do	31 73	do	31 73	do	31 73	P. A. Parsell	95 18
12283	do	1,218 91	do	1,218 91	do	1,218 91	W. H. C. Donaldson and L. J. Kirk	3,656 72
10279	Thomas Murphy	2,506 64	do	2,506 64	do	2,506 63	B. G. Jayne and H. B. Smith	7,519 92
9853								
9854								

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING NOVEMBER 30, 1870—Continued.

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
	Thomas Murphy	do	M. H. Grinnell	do	A. B. Cornell	do	H. G. Jayne and H. B. Smith	do
9855	\$1,818 31	\$1,818 31	\$1,818 31	\$1,818 31	\$1,818 31	\$1,818 31		\$5,454 93
9856	9,763 02	9,763 02	9,763 02	9,763 02	9,763 02	9,763 02		29,289 07
	15,555 41	15,555 38	15,555 38	15,555 36	15,555 36	15,555 36		46,666 22

NOTE.—Share of United States, \$93,332.41.

FOR THE MONTH ENDING DECEMBER 31, 1870.

	No. of seizure.	Date of seizure.	Description of goods.		Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
10849	5398	Feb. 2, 1870	4 cases, 26,800 cigars and clay-pipes.		\$666 25	\$361 37	\$304 88	
10850	24	Aug. 10, 1870	6 cases human hair and wax figures, 1 package hair.		5,000 00	244 37	1,406 57	\$3,349 06
	186	Oct. 31, 1870	Mannell L. Chaves and Silvada Chappell, for \$69,194, value of goods imported in violation of section 1, act of March 3, 1863.		5,000 00	186 50		4,813 50
10851	221	Nov. 10, 1870	Adelrich Benziger and Lewis Benziger, for \$4,578.02, value of goods imported in violation of section 66, act of March 1, 1799; section 24, act of May 28, 1830; and section —, act of March 1, 1863.		4,973 02	185 84		4,792 18
10210	192	Nov. —, 1870	Abraham Sanger, jr., Henry S. Beers, and George C. Fisher, for \$180,926.92, violation of section 69, act of March 2, 1799.		12,000 00	396 50		11,603 50
10852	170	Dec. 30, 1870	S. M. Mayuga, for \$58,087.72, in gold, for violation of section 1, act of March 3, 1863.		15,250 00	494 00		14,756 00
10853	6351	May 31, 1870	George W. Wylie, Caleb B. Knevals, and George A. Frink, for \$77,176.93, violation of section 1, act of March 3, 1863.		15,000 00	486 40		14,513 60
			Total.		57,894 27	2,354 93	1,711 45	53,827 84

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
	M. H. Grinnell	Thomas Murphy	E. A. Merritt	M. H. Grinnell	A. B. Cornell	do	Lewis J. Kirk	do
10849	\$279 09	\$279 09	\$279 09	\$279 09	\$279 09	\$279 09	L. J. Kirk, James Lee, Arthur Miller, and E. A. Birnie	\$837 26
10850	401 13	401 13	401 13	401 13	401 13	401 13	B. G. Jayne	1,203 37
10851	399 35	399 35	399 35	399 35	399 35	399 35	John Kauski	1,193 04
10210	966 96	966 96	966 96	966 96	966 96	966 96	N. W. Bingham	2,900 87
10852	1,229 67	1,229 67	1,229 67	1,229 67	1,229 67	1,229 67	B. G. Jayne and H. B. Smith	3,689 00
10853	1,209 47	1,209 47	1,209 47	1,209 47	1,209 47	1,209 47	B. G. Jayne	3,628 40
	4,485 67	4,485 67	4,485 67	4,485 67	4,485 67	4,485 67		13,456 94

NOTE.—Share of United States, \$26,913.92.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JANUARY 31, 1871.

No. of seizure.		Date of seizure.	Description of goods.	Claim of collector.			Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.		Duties to be entered in customs account.	Expenses.	Gross proceeds of sale.	Net proceeds to be credited in account-current.
11265	4695	Mar. 30, 1869	J. R. Susbug, violation section 69, act March 2, 1799												\$2,500 00	\$2,388 50
10979	244	Dec. 2, 1870	F. Petit <i>et al.</i> , violation section 69, act March 2, 1799												1,500 00	1,418 50
10980	242	Dec. 27, 1870	C. J. Ludbane <i>et al.</i> , violation section 1, act March 3, 1863												25,000 00	24,213 50
			Total												29,000 00	28,020 50
11265	H. A. Smythe															\$597 13
10979	Thomas Murphy															354 62
10980	do															6,053 38
																7,005 13

NOTE.—Share of United States, \$14,010.25.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING FEBRUARY 28, 1871.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
11307	3865	Sept. 14, 1868	2 trunks ostrich and other feathers; section 50, act March 2, 1799; section 4, act July 18, 1866.	\$3, 182 47	*\$153 37	.....	\$3, 182 47
11308	190	Oct. 12, 1870	M. and E. Solomon, on importation of tobacco in breach of section 1, act of March 3, 1863.	12, 000 00	402 95	.....	11, 597 05
11309	386	Jan. 13, 1871	Tode & Brothers, value 20 cases sausages, imported and entered by means of false invoice and entry.	753 00	55 50	.....	697 41
11310	371	Feb. 8, 1871	Charles H. Knight, smuggling into the United States.	500 00	.....	.....	500 00
11311	364	Feb. 24, 1871	James S. Aspinwall, penalty for violation of section 69, act of March 2, 1799.	13, 124 03	415 97	.....	12, 708 03
			Total.....	29, 559 47	874 51	.....	28, 684 96

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
11307	H. A. Smythe.....	\$397 81	None.....	\$966 42	A. Wakeman.....	\$397 81	Lewis Hopps, A. Miller, and Charles S. Lawrence.....	\$795 61
11308	Thomas Murphy.....	966 42	M. H. Grinnell.....	58 12	A. B. Cornell.....	966 42	B. G. Jayne and H. B. Smith.....	2, 899 26
11309	do.....	58 12	do.....	.....	.....do.....	58 12	Frank E. Howe, J. S. Chalker, C. N. Brackett, and A. A. Brush.....	174 35
11310	do.....	41 67	do.....	41 67	do.....	41 66	I. C. Nettleship.....	125 00
11311	M. H. Grinnell.....	1, 059 00	E. A. Merritt.....	1, 059 00	do.....	1, 059 00	J. S. Chalker, S. G. Clarke, E. F. Burton, and E. B. W. Restieaux.....	3, 177 01
		2, 523 02		2, 125 21		2, 523 01		7, 171 23

NOTE. Share of United States, \$14,342 48.

* Paid by claimants.

		Description of goods.		Gross proceeds of sale.		Expenses.		Duties to be entered in customs account.		Net proceeds to be credited in acc't-current.	
No. of seizure, old series.	Date of seizure.										
11312	Oct. 17, 1864	Schooner G. D. King, her tackle, &c.		\$200 00		(*)				\$200 00	
11313	Apr. 25, 1868	1 case cutlery, J. S. H., No. 478		338 68		(*)				338 68	
11314	Feb. 10, 1871	John V. Perkins <i>et al.</i> , violation section 69, act March 2, 1799, and section 2, act March 3, 1863		1, 356 00		\$25 73				1, 270 27	
11315	Nov. 17, 1870	John G. Smith, jr., <i>et al.</i> , linens and handkerchiefs, per steamer Russia, June 29, 1870, and City of Brussels, December 31, 1870		5, 050 88		194 07				4, 856 81	
11316	Apr. 6, 1871	6 cases kid gloves, P. & P., 416—421		1, 862 25		142 61		(†)		1, 719 64	
11317	Apr. 6, 1871	6 cases kid gloves, P. & P., 410—415		2, 086 25		151 90		\$1, 059 85		874 50	
		Total		10, 894 06		574 31		1, 059 85		9, 259 90	

		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
11312	Simeon Draper	\$33 34	George Denison	\$33 33	A. Wakerman	\$32 33	None		
11313	H. A. Smythe	84 67	None	84 67	do	84 67	None		
11314	Thomas Murphy	105 86	M. H. Grinnell	105 86	A. B. Cornell	105 85	F. E. Howe, C. N. Brackett, R. Fideau		\$317 56
11315	do	404 74	do	404 73	do	404 73	W. H. C. Donaldson, S. G. Clarke, John Kanski, and L. J. Kirk		1, 214 20
11316	M. H. Grinnell	143 31	E. A. Merritt	143 30	do	143 30	L. J. Kirk		429 91
11317	do	72 88	do	72 88	do	72 87	do		218 63
		844 80		760 09		844 75			2, 180 30

* Paid by claimant.

† Duty on entry.

NOTE.—Share of United States, \$4,629 95.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING APRIL 30, 1871.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acct-current.
11670	5540	Nov. 22, 1869	T. C., one case silk ribbons	\$2,529 75	\$251 38	\$817 08	\$1,461 29
11671	5929	Feb. 5, 1870	Steamboat Ella May	50 00			50 00
11672	5930	Feb. 5, 1870	Steamboat General F. Sigel	50 00			50 00
11673	5923	Feb. 5, 1870	Steamboat M. S. Allison	50 00			50 00
11674	6296	Apr. 28, 1870	Schooner Ricardo Barras	500 00			500 00
11675	9	Aug. 4, 1870	Propeller Wm. Burrows	20 00			20 00
11676	10	Aug. 4, 1870	Propeller Gratitude	20 00			20 00
11677	41	Aug. 18, 1870	35 pieces lace, &c	713 19	137 63	127 38	448 18
11678	151	Oct. 19, 1870	Propeller A. B. Preston	50 00			50 00
11679	152	Sept. 24, 1870	Propeller Dean Richmond	50 00			50 00
11680	147	Oct. 10, 1870	Bark Evol	400 00			400 00
11681	482	Oct. 14, 1870	J. Jalmiral, false entry, steamship Columbia	2,000 00	100 55		1,899 45
11682	356	Dec. 21, 1870	Fleeces & Co., violation section 66, act March 2, 1799; violation section 4, act May 28, 1830; violation section 1, act March 3, 1863.	1,985 00	74 35		1,910 65
11683	360	Jan. 28, 1871	Propeller Uncle Abe	50 00			50 00
11684	440 470	Feb. 10, 1871	Thomas Wilson & Co., T. W. 110-116, 7 cases shawls, &c	5,000 00	261 94		4,738 06
11685	5946	Feb. 8, 1870	3 cases, 30 pounds oil cloves	88 20	78 15		10 05
11820	465	Mar. 11, 1871	1 trunk jewelry, &c	901 90	97 71	143 22	660 97
11686	438	Mar. 20, 1871	R H 25 packages linen handkerchiefs	5,000 00	235 42		4,764 58
11687	504	Mar. 31, 1871	John Stewart <i>et al.</i> , violation section 66, act March 2, 1799; violation section 4, act May 28, 1830; violation section 1, act March 3, 1863.	5,750 00	209 30		5,540 70
11688	505	Apr. 19, 1871	L. E. Amsinck & Co., section 1, act March 3, 1863	39,710 54	1,226 56		38,483 98
			Total	64,918 58	2,672 99	1,087 68	61,157 91
	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.
11670	M. H. Grinnell	\$243 55	E. A. Merritt	\$243 55	A. B. Cornell	\$243 54	None
11671	do	4 17	do	4 17	do	4 16	S. Hopper
11672	do	4 17	do	4 17	do	4 16	do
11673	do	4 17	do	4 17	do	4 16	do
							\$12 50
							12 50
							12 50

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.
FOR THE MONTH ENDING JUNE 30, 1871.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
12270	1821 6465	Feb. 14, 1867 July 12, 1870	13 pipes and 30 half-pipes, and 20 pipes and 23 half-pipes sherry wine A. S. Rosenbaum <i>et al.</i> , violation section 66, act of March 2, 1799; and violation section 1, act of March 3, 1863	\$2, 759 60	\$204 06	\$2, 555 54	\$13, 993 75
12271	108	Sept. 24, 1870	Charles Knight, 33 pieces silk lace	14, 500 00	506 25		236 93
12272	215	Nov. 29, 1870	Francis Heurtevant, 3 bales and 1 case human hair	646 78	102 07	307 78	1, 048 52
12273	253	Dec. 19, 1870	Austin Baldwin & Co., 3 cases musical boxes	1, 440 12	135 79	255 81	994 51
12274	422	Feb. 20, 1871	58 1-20 boxes, 12 1-10 boxes cigars, and 29 reels cigarettes	1, 414 70	134 70	285 49	132 96
12275	596	Apr. 24, 1871	William Foster, 7 bales felt carpets	562 99	98 51	331 52	658 37
12276	602	May 8, 1871	Propeller E. M. Barrett	4, 000 00	206 02	3, 135 61	20 00
12277	603	May 8, 1871	Propeller S. A. Stevens	20 00			20 00
12278	604	May 8, 1871	Propeller A. B. Preston	20 00			20 00
12279	607	May 8, 1871	Propeller E. W. Gargas	20 00			20 00
12280	612	May 9, 1871	James Thompson <i>et al.</i> , violation section 66, act of March 2, 1799; violation section 4, act of May 28, 1830; and violation section 1, act of March 3, 1863	4, 250 00	170 20		4, 079 80
12281	659	May 31, 1871	Charles Peter <i>et al.</i> , violation section 66, act of March 2, 1799; violation section 4, act of May 28, 1830; and violation section 1, act of March 3, 1863	7, 500 00	263 30		7, 236 70
12282	675	June 7, 1871	Charles Munzinger <i>et al.</i> , violation section 1, act of March 3, 1863	20, 000 00	638 30		19, 361 70
			Total	57, 154 19	2, 459 20	6, 871 75	47, 823 24

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING JUNE 30, 1871—Continued.

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
12270	H. A. Smythe.....	\$1, 166 15	E. A. Merritt.....	\$1, 166 15	A. Wakeman.....	S. D. Jones.....		
12271	M. H. Grinnell.....	19 75	M. H. Grinnell.....	19 74	A. B. Cornell.....	B. G. Jayne.....	\$3, 498 44	
12272	Thomas Murphy.....	174 76	do.....	174 75	do.....	H. C. Whiteley and James H. Young.....		
12273	do.....	165 75	do.....	165 75	do.....	No informer.....	59 23	
12274	do.....	11 08	do.....	11 08	do.....	do.....		
12275	do.....	54 86	A. H. Lafin.....	54 86	do.....	Howard Slater and D. P. Harris.....	33 24	
12276	do.....	1 67	do.....	1 67	do.....	Lewis J. Kirk.....	164 60	
12277	do.....	1 67	do.....	1 67	do.....	First Lieutenant L. N. Stodder, and R. C. Jasmine.....	10 00	
12278	do.....	1 67	do.....	1 67	do.....	do.....	10 00	
12279	do.....	1 67	do.....	1 67	do.....	do.....	10 00	
12280	do.....	339 99	do.....	339 98	do.....	do.....	10 00	
12281	do.....	603 06	do.....	603 06	do.....	F. E. Howe, C. N. Brackett, A. A. Brush, and J. S. Chalker.....	1, 019 95	
12282	do.....	1, 613 48	do.....	1, 613 48	do.....	B. G. Jayne.....	1, 809 18	
						do.....	4, 840 42	
		4, 155 56		4, 155 53			11, 465 06	

NOTE.—Share of United States, \$23,911.62.

FOR THE MONTH ENDING JULY 31, 1871.

VOL. II—36 C H

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
12433	672	June 5, 1871	W & G 41 bales cotton and jute bags	\$500 00	\$10 00	.....	\$490 00
12434	743	July 11, 1871	William Weir, double the value of certain goods, received in violation of section 2, act of March 3, 1823	1,579 12	47 37	.....	1,531 75
12435	6361	June 1, 1870	The schooner Dresden, her engines, &c., (penalty)	250 00	.....	.....	250 00
12436	377	Feb. 7, 1871	Public headquarters, Jersey City, N. J., 8 pieces silk and 3 bundles of lace	1,368 79	163 26	\$625 63	579 90
12437	771	July 22, 1871	Mark Finley, value of goods imported in violation of section 1, act of March 3, 1863	11,057 12	366 71	.....	10,690 41
12438	587	May 2, 1871	Seymour N. Marsh <i>et al.</i> , violation section 69, act March 2, 1799; section 2, act of March 3, 1823, and perhaps of section 4, act of March 2, 1866, &c	13,000 00	432 80	.....	12,567 20
			Total	27,755 03	1,020 14	625 63	26,109 26

	Claim of collector.	Claim of naval officer.	Claim of surveyor.	Claim of informer or seizer.	
12433	Thomas Murphy	A. H. Laffin	A. B. Cornell	W. H. C. Donaldson	\$122 50
12434	do	do	do	I. C. Nettleship	382 94
12435	M. H. Grinnell	E. A. Merritt	do	H. E. Abell	62 50
12436	Thomas Murphy	M. H. Grinnell	do	Edward McHarney	144 98
12437	do	A. H. Laffin	do	John Kanski, Lewis J. Kirk, and S. G. Clark	2,672 60
12438	do	do	do	Frank E. Howe, J. S. Chalker, A. A. Brush, and C. N. Brackett	3,141 80
					6,527 32

NOTE.—Share of United States, \$13,054.63.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING AUGUST 31, 1871.

		Description of goods.				Gross proceeds of sale.		Expenses.		Duties to be entered in customs account.		Net proceeds to be credited in account-current.	
12527	5747	Dec. 21, 1869	250 umbrellas, &c., I. W. & Co.			\$2, 921 77	\$429 10	\$5, 682 46		\$5, 110 21			
12528	50	Aug. 24, 1870	1 case silks, S. S A H. R. ect			935 41	119 44	442 18		373 79			
12529	357	Feb. 1, 1871	60½ carats brilliants, &c.			4, 500 00	323 40	536 42		3, 640 18			
12530	398	Feb. 16, 1871	Henry R. Thompson <i>et al</i>			2, 107 00	98 21			2, 008 79			
12531	398½	Feb. 16, 1871	do			1, 400 00	77 00			1, 323 00			
12532	418	Feb. 23, 1871	15 pieces silk-thread laces.			516 71	101 63	200 93		214 15			
	724	July 5, 1871	Wm. H. Westervelt <i>et al</i>			10, 000 00	342 80			9, 657 20			
	823	Aug. 21, 1871	Abraham Maunsell <i>et al</i>			2, 180 00	99 45			2, 080 55			
12534	801	Aug. 17, 1871	The brig New York, her tackle, &c.			800 00				800 00			
			Total.....			30, 660 89	1, 591 03	3, 861 99		25, 207 87			

		Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
12527	M. H. Grinnell	\$425 85	E. A. Merritt	\$425 85	A. B. Cornell	\$425 85	Lewis J. Kirk	\$1, 277 55	
12528	Thomas Murphy	31 15	M. H. Grinnell	31 15	do	31 15	Robert Hunt	93 45	
	do	303 35	do	303 35	do	303 34	Informer's share contested between H. C. Whiteley and F. S. Esmond	910 05	
12529	do	167 40	do	167 40	do	167 39	John Kanski, L. J. Kirk, and E. F. Burton	502 20	
12530	do	110 25	do	110 25	do	110 25	do	330 75	
12531	do	17 85	do	17 84	do	17 84	F. E. Howe, J. S. Chalker, C. N. Brackett, & A. A. Brush	53 54	
12532	do	804 77	A. H. Laffin	804 77	do	804 76	B. G. Jayne	2, 414 30	
	do	173 38	do	173 38	do	173 37	S. G. Clark	520 14	
12534	do	66 67	do	66 67	do	66 67	I. C. Nettleship	200 00	
		2, 100 67		2, 100 66		2, 100 60		6, 301 98	

NOTE.—Share of United States, \$12,603.94.

FOR THE MONTH ENDING SEPTEMBER 30, 1871.

	No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in acc't-current.
12728	836	Sept. 1, 1871	Charles M. Cosgrove, violation section 1 of the act of Congress approved March 3, 1863, &c	\$30, 153 23	\$939 64	.....	\$29, 218 59
12707	864	Sept. 13, 1871	James Bryant, value of goods not on ship's manifest, contrary to section 24, act March 2, 1799	4, 420 31	167 65	.....	4, 252 66
			Total	34, 578 54	1, 107 29	.....	33, 471 25

	Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
12728	Thomas Murphy	\$2, 434 88	A. H. Ladin	\$2, 434 88	A. B. Cornell	\$2, 434 88	Frank E. Howe and George Browne	\$7, 304 65
12707	do	354 39	do	354 39	do	354 39	John Cayton and C. F. Kane	1, 063 16
		2, 789 27		2, 789 27		2, 789 27		8, 367 81

NOTE.—Share of United States, \$16,735.63.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING OCTOBER 31, 1871.

Description of goods.									
No. of seizure.	Date of seizure.	Description of goods.		Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.		
12998	451	Mar. 6, 1871	5,900 cigars	\$664 48	\$107 92	\$349 88	\$206 68		
12999	627	Mar. 16, 1871	One case, containing 6,900 cigars	536 74	102 48	378 07	56 19		
13000	534	Apr. 13, 1871	Manufactures of silk and rubber, &c.	1,172 72	129 51	821 25	221 96		
13001	826	Aug. 22, 1871	Four diamonds	1,055 00	131 72	171 00	752 28		
13012	840	Sept. 2, 1871	34 gross awls, &c.	4,420 31	220 07	1,660 30	2,539 94		
13013	870	Sept. 18, 1871	Rufus Story and Edward F. Putnam	80,000 00	2,435 05	.....	77,564 95		
	874	Sept. 22, 1871	56 bales sponges	2,200 00	142 37	1,034 32	1,023 31		
13014	926	Oct. 28, 1871	W. I. Pollock <i>et al</i>	12,736 13	417 08	.....	12,319 05		
		Total.....		102,785 38	3,686 20	4,414 82	94,684 36		

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
12998	Thomas Murphy.....	\$17 23	M. H. Grinnell.....	\$17 22	A. B. Cornell.....	C. F. Kane, Lewis Jones, and L. Dempsey.....	\$51 67
12999	do.....	4 68	do.....	4 68	do.....	B. G. Jayne.....	14 05
13000	do.....	18 50	do.....	18 49	do.....	F. E. Howe, J. S. Chalker, A. A. Brush, & C. N. Brackett.....	55 49
13011	do.....	62 69	A. H. Laffin.....	62 69	do.....	I. C. Nettleship.....	188 07
13012	do.....	211 66	do.....	211 66	do.....	John Cayton and Charles F. Kane.....	634 99
13013	do.....	6,463 75	do.....	6,463 74	do.....	N. W. Bingham and B. G. Jayne.....	19,391 24
	do.....	85 28	do.....	85 27	do.....	L. H. Hobby.....	255 83
13014	do.....	1,026 58	do.....	1,026 59	do.....	W. H. C. Donaldson and L. J. Kirk.....	3,079 76
		7,890 37		7,890 35			23,671 10

NOTE.—Share of United States, \$47,342.18.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.—Continued.

FOR THE MONTH ENDING NOVEMBER 29, 1871.

No. of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Not proceeds to be credited in acct-current.
5516	Oct. 27, 1869	William E. Schonantz, 4 bags, containing about 433½ pounds human hair	\$3,995 57	\$379 93	\$1,008 26	\$2,607 38
5945	Feb. 5, 1870	14 bottles oil of bay, 57 bottles oil of cloves	215 86	85 89	.....	129 97
5959	Feb. 12, 1870	9 cases oil of bay, 2 cases oil of cloves	1,600 19	148 49	1,451 70	.....
6013	Feb. 25, 1870	4 casks cutlery, A. M. 1021-1024	1,056 00	101 18	385 00	569 82
653	May 24, 1871	Humphrey H. Swift et al.	9,000 00	314 00	.....	8,686 00
950	Nov. 10, 1871	C. M. Schmid	4,162 82	160 23	.....	4,002 59
Total			20,030 44	1,189 72	2,844 96	15,995 76

Claim of collector.		Claim of naval officer.		Claim of surveyor.		Claim of informer or seizer.	
M. H. Grinnell	\$217 28	E. A. Merritt	\$217 28	A. B. Cornell	\$217 28	Philip Reilly and John Corkey	\$651 85
do	10 83	do	10 83	do	10 83	J. S. Chalker, S. G. Clarke, E. F. Burton and E. B. W. Restiaux.	32 49
do	94 97	do	94 97	do	94 97	No informer or seizing officer	.....
do	723 84	do	723 83	do	723 83	B. G. Jayne	2,171 50
Thomas Murphy	333 55	A. H. Laffin	333 55	do	333 55	F. E. Howe, C. N. Brackett, James Bryan, R. Fideau, and Thomas Brown.	1,000 64
do	1,380 47	do	1,380 46	do	1,380 46	.....	3,856 48

NOTE.—Share of United States, \$7,997.88.

Abstract of fines, penalties, and forfeitures received under decree of United States court in the district of New York, &c.--Continued.

FOR THE MONTH ENDING DECEMBER 30, 1871.

No of seizure.	Date of seizure.	Description of goods.	Gross proceeds of sale.	Expenses.	Duties to be entered in customs account.	Net proceeds to be credited in account-current.
5506	Oct. 14, 1869	59 hogsheads, C. F. F. and other marks, containing wine	\$10,000 00	\$420 52	.....	\$9,574 48
5642	Nov. 29, 1869	L. & Co., 236 boxes raisins, &c.	1,000 00	85 85	.....	914 15
6487	July 25, 1870	Peter Balen <i>et al.</i>	10,000 00	345 05	.....	9,654 95
95	Sept. 15, 1870	1 roll Brussels carpet, 2 rugs, &c.	298 24	89 83	.....	208 41
439	Mar. 4, 1871	Hugh L. Wilson and McKinstry Kidd	1,000 00	.....	.....	1,000 00
487	Mar. 27, 1871	2 cases L. W. $\frac{1}{2}$ ostrich feathers	4,500 00	203 60	.....	4,296 40
576	Apr. 26, 1871	5 pieces silk, 57 silk cravats, &c.	1,114 00	.....	\$407 82	706 18
733	July 7, 1871	24 bottles oil of bay	391 00	94 95	.....	296 05
778	July 25, 1871	3 diamonds, 1 diamond, 1 ring	1,467 53	147 14	241 56	1,078 83
875	Sept. 23, 1871	13 diamonds	1,922 50	159 16	190 08	1,573 26
Total.....			31,693 27	1,546 10	839 46	29,307 71

Claim of collector.	Claim of naval officer.	Claim of surveyor.	Claim of informer or seizer.
M. H. Grinnell	\$798 29	A. B. Cornell	W. B. Farwell
do	76 18	do	B. G. Jayne
Thomas Murphy	804 58	do	do
do	17 37	do	do
do	83 34	do	N. W. Bingham
do	358 04	do	L. J. Kirk and E. F. Burton
do	58 85	do	H. L. Kelton
do	24 67	do	H. C. Whiteley
do	89 90	do	I. C. Nettleship
do	131 11	do	H. C. Whiteley
	2,442 33		
			2,394 87
			228 53
			2,413 73
			52 10
			250 00
			1,074 10
			176 54
			74 01
			269 71
			393 32
			7,326 91

NOTE.—Share of United States, \$14,653.86.

CUSTOM-HOUSE, NEW YORK, *Surveyor's Office, February 8, 1872.*

SIR: I see by the published report of my testimony that, inferentially, I am made to say that Lewis Lounsbury was among the weighers who had committed fraud in rendering short weight of merchandise. I named Mr. Lounsbury as one of the weighers upon whose district frauds had occurred without his knowledge. Upon being asked by Senator Bayard if any of the weighers named by me were still in the service, I said "Yes, Lewis Lounsbury."

If my evidence can be construed as charging Mr. Lounsbury with fraud, I wish to make the correction, for I have no evidence to justify such a charge.

Very respectfully,

B. G. JAYNE.

Hon. WM. A. BUCKINGHAM,
Chairman Senate Retrenchment Committee.

FIFTH AVENUE HOTEL, NEW YORK, *February 5, 1872.*

JOHN L. PRECHT sworn and examined.

By Mr. BAYARD:

Question. What is your name and business?—Answer. Ship-broker; John L. Precht.

Q. Where is your place of business?—A. No. 37 South William street.

Q. How long have you been in that business?—A. I have been here in the same trade about twenty years.

Q. What do you know of the habit of paying sums of money—gratuities—to the custom-house officers and inspectors in connection with the ships?—A. I know that our captains pay them what they call "house-money," so that they make returns as soon as the ships are discharged. The most of our ships don't give them anything, except a bottle of brandy or gin, or something of that kind; but ours are nearly all foreign ships, and the captains are very close, and don't give much.

Q. Sailing-ships?—A. Yes; and we have but a few steamers running to Norway, and they have been here only a few times.

Q. In regard to the foreign ships, is it your experience that sums of money—gratuities—are given to these officers for their civility and obligingness in unloading steamers?—A. The captains have given them gratuities for their kindness to them, and for making the returns at once, so that they were not detained in going out again.

Q. Do you believe that to be the custom?—A. It has been a custom as long as I can remember.

Q. It continues at this time?—A. Yes; some of our captains gives them something, and others none.

Q. It depends upon the captain?—A. Upon the captain.

Q. And upon the pressure of the ship at the time?—A. Yes, sir.

Q. Have you known moneys paid to them to keep the goods away from general-order stores?—A. I never have heard such; of course we try to get them as soon as possible from the dock.

Q. You are a ship-broker?—A. Yes; ships are consigned to us; not the cargoes; we have got nothing to do with the cargoes.

Q. What other sums have you known to be paid by the captains to the officers?—A. I have known of none except the house-money.

Q. Why is it called house-money?—A. Because they take the papers home and make them ready at the house.

Q. You have nothing to do with the custom-house?—A. I did, formerly, but not the last three years; and then we have only ships. Our whole business is transacting ships' business.

Q. This habit of paying gratuities to the inspectors continues up to this time?—A. Yes, sir.

Q. It has been a regular thing?—A. It has been a regular thing all over.

Q. They all expect it?—A. They all expect it all over, and I know our house is called very mean because we don't pay them for each ship.

By Mr. CASSERLY:

Q. What trade are your ships in?—A. All European trade; all transient ships. Our regular lines are running to Hamburg.

Q. What freight do your ships have generally?—A. Mostly cargo, lately; not passengers.

Q. Passengers prefer the steamers?—A. Yes.

By Mr. PRATT:

Q. What amount of gratuity do sailing-vessels usually pay an inspector?—A. From

10 to 15 dollars, just as the cargo of the ship consists, and if they have to do much house-work.

Q. What do steamers pay?—A. Twenty-five dollars for "house-money," our steamers pay.

Q. You say it is not uniform, and some captains refuse to do it at all?—A. Some captains who have only a cargo of coffee or coals don't pay them anything—or a cargo of tea. That goes all in one store.

Q. It is paid only where the inspector does extra duty for the convenience of the captain?—A. Yes, sir.

Q. You say this prevailed ever since you have been a custom-house broker?—A. Yes, sir; a ship-broker; since I have been here in New York I can remember it.

Q. It is not a new practice at all?—A. No, sir.

At 4.30 adjourned to 7.30 in the evening.

FIFTH AVENUE HOTEL, NEW YORK, *February 5, 1872—7.30 p. m.*

WINSLOW T. PERKINS sworn and examined.

By Mr. BAYARD:

Question. Where do you reside?—Answer. In Dover, New Hampshire.

Q. Were you ever in the New York custom-house?—A. I was.

Q. During what period of time?—A. I was from the 23d day of August, 1869, to the 17th day of May, 1871.

Q. What was your occupation; what capacity were you in?—A. I was United States weigher.

Q. Will you describe to this committee the system of weighing. In the first place, let me ask you before that, were you living in New Hampshire when you were first appointed?—A. I was.

Q. Upon whose recommendation were you appointed?—A. Upon the recommendation of Senator Patterson, of New Hampshire.

Q. To whom was that recommendation addressed?—A. To Mr. Grinnell, collector of the port, originally; and when Mr. Murphy came in I was retained upon the recommendation of Mr. Patterson and Senator Cragin; a joint letter.

Q. Have you that letter?—A. I have a copy of it. [Produces it.]

Read in evidence by the clerk as follows:

"SENATE CHAMBER, *Washington, D. C., July 20, 1870.*

"DEAR SIR: We desire to unite in recommending W. T. Perkins, a weigher now in the New York custom-house, and to ask that he may be retained. He is a man of ability and integrity, and a true and active republican.

"We have the honor to be, very respectfully, yours,

"A. H. CRAGIN

"J. W. PATTERSON.

"HON. THOMAS MURPHY,

"*Collector of the Port of New York.*"

Q. What district were you assigned to when you first came to New York?—A. To district No. 12.

Q. Which river is that on?—A. That is on the East River.

Q. Did you continue in that district?—A. I continued about six months on that district, and then I was assigned to district No. 5, which was also on the East River. I was there some eight or nine months, and then assigned to district No. 10 on the East River.

Q. Were those three districts the only ones that you were assigned to during your term of service?—A. Yes.

Q. What was the system of assigning you to districts at that time?—A. The first assignment, I was appointed to the place of General Egan; I resigned that. The next assignment that I had was by lots, under Grinnell. The next assignment was under Mr. Murphy, and we were assigned by the surveyor; he designated the district.

Q. What surveyor was that?—A. Mr. Cornell.

Q. Was that system of allowing your district to be determined by lots to prevent any possibility of collusion of arrangement?—A. Yes; I suppose so. And it was thought to be by the collector that it was the better way to do.

Q. And that was altered, you say, when Mr. Murphy came in?—A. Yes; the surveyor changed that, and assigned weighers to districts.

Q. The committee has been charged in the examination as to the payment of

moneys unauthorized by law, the receipt of moneys unauthorized by law; have you any knowledge of such a system of things in the weighers' department, in the way of an overemployment of hands, or in the receipt of fees that were not established by law, by the weigh-master?—A. There was a certain species of fees called "Perquisites" that weighers received.

Q. What are they?—A. They are for what they call returns made to the importer by the weigher of the weights of goods of different kinds.

Q. Who pays that?—A. The importer.

Q. To whom does he pay it?—A. He pays it to the weighers, or their men.

Q. You mean the United States weigher?—A. Yes, sir.

Q. Do you know what the rate of these charges are, if you remember any?—A. They vary, according to the customers; some pay 10, 15, and 20 cents a ton for iron—pig-iron, and old rails, and pig-lead.

Q. That consists merely in giving the importers an accurate copy of the returns they have made for the United States?—A. That is so.

Q. Is that to save importers the necessity of weighing it over again?—A. Yes, sir; they sell by weights, and it saves them the necessity of having it weighed by the city weigher.

Q. Did you ever know anything of the custom-house weights being originally made by the city weigher, and his returns being copied by the United States weighers, and duplicates made in that way?—A. I never did.

Q. What number of men were employed in weighing there; more than were required, or only a proper number?—A. On some districts there are more than are required, and some districts no more than are required.

Q. Just state what was the condition of that, and the comparative number of men employed in the different districts.—A. Generally, it takes four men to run a gang—what they call a gang—with perhaps a booker—one who takes weights. Four men will do it; five at the outside. That is all that is necessary, as a general thing.

Q. How many have you known to be employed?—A. Seven or eight.

Q. How many of these were superfluous hands?—A. I should think from three to four; three, certainly.

Q. Do you mean by that that seven or eight men were employed to do the work of four?—A. Yes.

Q. Could four men have thoroughly and readily performed that work?—A. Four or five; yes, sir.

Q. How often have you seen that, and how many gangs in which this superfluous number of men were employed?—A. I don't recollect now seeing anything of it, only on one district, where my attention was called to it.

Q. Which district was that?—A. That was the district adjoining me; on the district of Mr. Reed.

Q. What Reed?—A. E. Harrison Reed.

Q. Is he still in the custom-house employ?—A. I don't know.

Q. Was he in the custom-house when you left there?—A. Yes, sir.

Q. Is there an equal amount of work in the different districts; is the work of weighing apportioned so as to equalize the amount and keep all the different parties busy in the district?—A. No, sir; it was very unequal.

Q. Is the salary of the weighers all the same?—A. Yes.

Q. How, then, can you say there was a very unequal distribution of work?—A. Some would have nothing on, and other districts would have a large amount of work.

Q. Do you know what was the result or object of that?—A. I don't know as I understand the force of the question.

Q. I understand from you that the weighers are all salaried officers?—A. Yes; received the same salary.

Q. You say some would be overpressed with work, while others would be apparently idle?—A. Yes.

Q. I ask you why that should be, or what object—their object in such an unequal distribution of the labor?—A. The object of it is, every weigher is anxious to have all that he can get on his district, and some weighers have the means and the faculty of getting more on their district than others do; and in doing that it makes it very unequal.

Q. Are weighers paid by fees or by salary?—A. They are paid by salary.

Q. What can be the object of a man in seeking more work than conveniently he can perform, or is his fair share in distribution as to numbers?—A. If a vessel yields so much to a weigher in the shape of perquisites—if one vessel will, another vessel, of the same kind, will yield twice as much, and consequently it is to his interest to get as many vessels and as much work as he can.

Q. Are those perquisites you speak of in the shape of duplicate returns?—A. Yes.

Q. And for that reason the districts which are most crowded with work are the most profitable to the weigher?—A. Yes.

Q. Those perquisites have nothing to do with the salaries?—A. No, sir.

Q. You say they are paid by the importers?—A. Yes.

Q. Is that the constant practice in this port?—A. I think it is, as far as my knowledge extends; it was when I was there.

Q. Did you ever know of any system prevailing there of assessments upon the laborers of weigh-masters, or upon the weigh-masters themselves, in favor of the harbor-masters, to induce vessels to be brought there?—A. There was an understanding among the weighers that some harbor-masters, for a certain percentage of the perquisites, would crowd more vessels on to their districts, and so share the perquisites to a certain extent with them, I understand.

Q. Did you ever know anything of that kind attempted in your district?—A. Well, only once. Once there was a man on my district that I discharged for drunkenness, and a day or two after he was discharged he brought a letter to me from the harbor-master of that district.

Q. Who was that?—A. That was Mr. Thompson; James M. Thompson.

Q. The one who is now a weigher?—A. United States weigher; telling me that if I would reinstate this man to his former position that he would put vessels on to my district, so that it would be an advantage to me.

By Mr. PRATT:

Q. Who wrote you that letter; who said that to you?—A. Mr. James M. Thompson wrote me a letter to that effect.

By Mr. BAYARD:

Q. The one who is at present a weigh-master here?—A. He was when I left the custom-house.

Q. What was understood to be the value of an ordinary vessel, to the weigher, in the amount of perquisites?—A. It was understood that a good Liverpool ship was worth one hundred to two hundred dollars; and some, more.

Q. That is the perquisite for the duplicate returns rendered of the weights of her cargoes?—A. Yes.

Q. Did you ever know of subscriptions being raised among weighers or others to induce harbor-masters to send ships to their particular districts?—A. I cannot say that ever there was any subscription raised for that purpose; there was a subscription raised for a harbor-master; I could only draw an inference of what it was for.

Q. You never saw any list of that kind?—A. There was a list brought to my office, but I wasn't in—of that kind—when it was brought, and I didn't see it.

Q. What was the character of that?—A. The character of it was that we agreed to give the harbor-master so much for a new year's present.

Q. In order to influence ships?—A. They didn't say that.

Q. Was that the object?—A. That was the object, no doubt; I have no reason to doubt it.

Q. Have you any idea to what extent these perquisites, over and above the salary, would reach in the different districts?—A. Some districts would be quite large, and others would pay nothing to speak of, hardly. One district—I think there are three or four on the North River—I have been told that the perquisites by the weighers was as high as \$300 a month.

By Mr. CASSERLY:

Q. That would be \$3,600 a year.—A. Yes.

By Mr. BAYARD:

Q. That was over and above their regular salary?—A. That had nothing to do with their salary.

Q. Was this system in full practice during the whole period that you remained in the custom-house employment?—A. I think it was; yes.

Q. When did you leave the—I think it was on the 17th of May, 1871?—A. Seventeenth day of May, 1871; yes.

Q. How came you to leave the service?—A. I was removed by the collector.

Q. Was there any complaint made against you?—A. No, sir.

Q. Any charges?—A. No, sir; none that I ever knew of. I was told by Mr. Terwilliger that there was none.

Q. Was there any complaint against the manner in which your duties were performed?—A. Not that I know of; Mr. Terwilliger said there was none; I asked him.

Q. To what do you ascribe your removal?—A. I ascribe it to the refusal of Senator Patterson to make a favorable report as to the conduct of custom-house affairs under the administration of Collector Murphy.

Q. You say he refused it; had he ever been asked to do it?—A. I don't know that he ever had been asked to do it.

Q. Was he ever asked by you to do it?—A. No, sir; he never was asked by me to do it.

Q. State what connection, then, his failure to report favorably as to the condition of

the custom-house could have upon your position?—A. About the 23d day of February, 1871, I received a note from Mr. Benedict, the deputy surveyor, asking me to report to his desk immediately. I went there and asked him what was wanted, and he said the collector wanted to see me. I immediately went to the collector's office, and Mr. Terwilliger said the collector had just left with the committee—investigating committee—of which Senator Patterson was then chairman. He said that he was sorry they had left, for the collector wanted me to go in before the committee and make a statement of the economical and straightforward way he was running the custom-house, in order to overcome the testimony of other witnesses that had put in some damaging testimony against the collector; and he said the committee had gone and it was too late to do it; he then asked me if I could not see Patterson—Senator Patterson—and influence him somewhat to make a favorable report.

Q. Who asked you that?—A. Mr. Terwilliger.

Q. Was he the deputy collector?—A. He was the deputy collector and private secretary of the collector.

Q. What collector?—A. Collector Murphy. I told him that I didn't think that Senator Patterson could be approached in any such way as that. He then asked me if I was acquainted with Mr. Benton.

Q. Was he aware of the fact that Mr. Patterson had been your personal friend and was one of your recommenders?—A. He was, for he received this letter of recommendation to Mr. Murphy; he understood that very well, and had had conversations with Senator Patterson in regard to me during the sitting of that committee.

Q. Continue your statement.—A. He then wanted to know if I was acquainted with Mr. Benton, who was also a member of the committee.

Q. Was Mr. Benton a member from New Hampshire?—A. He was; he told me he was. Well, he said if I could not approach Senator Patterson, if I could not operate on him through Benton; and at the same time said that he thought Mr. Benton was all right any way. I told him I didn't know anything about how Mr. Benton felt in reference to it, nor what he thought of it, but that I would see Mr. Benton before he left if I could, and ascertain something of the nature of the report that they would make. I came up here that night to see Mr. Benton at this house, and he and the rest of the committee had gone. I was repeatedly told while in the custom-house, while the investigating committee was making their investigation here, by custom-house men, that my tenure of office here would depend a good deal on the kind of report that Senator Patterson made. Senator Patterson made the report, and the first thing I knew I was removed; and Senator Patterson wrote a letter to the collector, asking him why I was removed, and to that letter he never has deigned to make a reply as yet.

Q. Did Mr. Patterson make any application elsewhere for your retention?—A. He went to the Secretary of the Treasury, Mr. Boutwell; Mr. Boutwell hunted up the papers, but told him that it was too late; that I had been removed three days before that, but that if he had known it in season I should not have been removed; he would have stopped it.

Q. Did Mr. Patterson also ascertain there was no complaint against you for any want of proper performance of your duties?—A. He did; yes, sir.

Q. I understand you to say you applied yourself, to know if there were any charges against you?—A. I did, to Mr. Terwilliger.

Q. Had there been any charges?—A. He said there had been none. Why I was removed he said he could not tell. It was a removal of the collector; and then I asked him if there was any charges against my official conduct, and he said none whatever, that he knew.

Q. Had you ever been applied to, while in the custom-house employ, to take part in the primary elections of your party?—A. I had, repeatedly, by different persons.

Q. What were the intimations made to you in regard to that?—A. That if I wanted to be in good standing with the collector it was necessary for me to take an active part in the primaries in the city.

Q. Did you ever do so?—A. I never did.

Q. You were residing then in New York?—A. My family were in New Hampshire.

Q. You were here?—A. Yes, sir.

Q. Attending to your business?—Yes, sir.

Q. Did you desire to retain your domicile and your vote in your own State?—A. I did.

Q. Was that known to the persons around you—your associates in the custom-house—that you were a New Hampshire man, and desired to remain so?—A. Yes; knew that I went home to election.

Q. Were you ever called upon during your official time to pay assessments out of your salary for political purposes?—A. Repeatedly.

Q. By whom?—A. By the surveyor of the port.

Q. Who was that?—A. Mr. Cornell.

Q. What amounts were you assessed?—A. Generally \$50; 2 per cent. on the salary; once or twice we were assessed \$25.

Q. How often did these assessments occur during the time you were there, from the 23d of August, 1869, to May 17, 1871?—A. They occurred so that I paid out, I think, \$250 to \$275.

Q. Where did you pay those assessments?—A. I paid them in the custom-house.

Q. What office?—A. Once I paid them in the surveyor's office; at other times I paid them to men that the surveyor sent with the subscription list.

Q. With the subscription list?—A. Yes.

Q. Did you ever take receipts for any portion of it?—A. I took all I could get; they never would give me but one; I have got one receipt.

Q. Have you got it with you?—A. I have a copy of it.

Q. Let me see it.

[Witness produces it.]

The clerk read it, as follows:

“NEW YORK, October 4, 1870.

“Received of W. T. Perkins fifty dollars for political campaign 1870.

“W. L. GRISWOLD,
“For the Surveyor.”

Q. Who is W. L. Griswold?—A. He was a United States weigher—tea weigher—or was at that time.

Q. Is he in office now?—A. I don't know.

Q. Was he in office when you left the custom-house?—A. He was.

Q. Where did he come to you to get this money?—A. He came in the custom-house.

Q. What authority did he state he had to collect it?—A. He stated—I don't recollect—the purport of it was that he wanted it; that they came around with the subscription paper. I think there was a subscription paper brought around first; whether he brought it around I don't know; and he came around with that.

Q. I see he says here that he received it for the surveyor?—A. Yes.

Q. Was it by the surveyor's authority that these assessments were made?—A. It was by his authority that two of them were made—two or three.

Q. Was this one of them?—A. Yes.

Q. Were those assessments regular and from the custom-house?—A. Yes, sir.

Q. Supposing you had declined to submit to these exactions, what would have been the result?—A. The result would have been my head would have gone in the basket. I would have been removed at once without I did.

Q. Was that the common understanding in the custom-house?—A. Yes.

Q. Would you then term these assessments involuntary on the part of the officials?—A. They were involuntary on my part.

Q. Were you assessed ever—do you know for what particular purpose you were ever assessed—for funds within this State or in your own State, or what?—A. This was for funds in New York State. Another \$50 I paid into the surveyor's office, to Mr. Abell, I think, were for funds in New York State; and \$25 that I paid on the 3d day of March was for funds in Connecticut.

Q. Had you besides this your voluntary subscriptions for funds in your own State?—A. Yes, sir.

Q. In addition to the sums you have stated here?—A. Yes, sir.

Q. Have you reason to believe that assessments similar in amount and exacted under similar conditions were made upon other persons in the custom-house employ?—A. Yes; I know there were; I saw their names—what they paid.

Q. What are the relative weighing expenses of the different districts of the United States?—A. I don't know; I know the district I weighed—my district, No. 12—I run the first six months for 31 per cent.

Q. Thirty-one per cent. upon what?—A. The Government allows in the custom-house—they calculate that it will cost so much to weigh anything— $1\frac{1}{2}$ per cent. per 100 pounds for imports, and 3 cents for 112 pounds of exports. That is made the basis. They keep an account on the books. Of the $1\frac{1}{2}$ per cent. I used up on my district 31 per cent. I didn't use up what they allowed me into 69 per cent. District No. 5 was a very expensive district, and that I run for 65 per cent.; my predecessor used 90. District No. 10 I run for about 67 per cent., and that was run for 80 before that.

Q. I don't understand precisely what makes what you term the percentage expenses in one district higher than the other.—A. It is because the weigher in one district does not run as cheap as the weigher in the other district.

Q. Tell me what are the elements of expense—you say as cheap.—A. The elements are that that I have spoken of heretofore—that where work can be done with four men, in using seven or eight men to the gang would necessarily run it up and make the expenses a great deal higher in proportion to what every man would work. They get 40 cents an hour.

Q. How do you say that the ratio of per cent. is calculated at first?—A. It is calculated at $1\frac{1}{2}$ per cent. per 100 pounds on imports and 3 cents per 100 pounds on exports.

By the CHAIRMAN:

Q. Do you mean that it cost to weigh 100 pounds $1\frac{1}{2}$ per cent?—A. The Government loses that; it is not calculated that it will be more than that.

By Mr. BAYARD:

Q. I understand that, of course, that ratio is applied to the various amounts of work done?—A. Yes.

Q. The ratio being preserved in each case?—A. Yes.

Q. Now, I understand you, that you run your own at a much less per centum than the average rate allowed?—A. Yes. I run my districts; the average run was 52 per cent. of the 100 per cent. allowed.

Q. How did you find it in the adjacent districts to yours, at the same time?—A. One district it was—it run all the way—I think all the districts average over 75 per cent.

By the CHAIRMAN:

Q. Do you mean 75 cents on the 100 pounds?—A. Seventy-five per cent. of the amount.

Q. Of the $1\frac{1}{2}$?—A. Yes, sir.

By Mr. BAYARD:

Q. How much below the average expenses—what is the per centum below—was your expense of running your weighing district?—A. About 22 to 23 per cent.

Q. Below it?—A. Yes, sir.

Q. And you believe that diminution was obtained by having no superfluous hands?—A. Yes, sir; and running the district economically. This is all a matter of record in the custom-house.

Q. You say that you were in Mr. Cornell's department?—A. Yes, sir.

Q. Was anything said by him to you in regard to your removal?—A. No, sir.

Q. Had you any intimation from him that anything was unsatisfactory?—A. Never; contrary to that he expressed himself in my favor very highly, and Colonel King, who was postmaster of the House of Representatives in Washington at one time—a very short time before I was removed—

Q. [Interrupting.] These applications to you to approach and influence Senator Patterson to report favorably of what he had discovered here in the custom-house were made by Mr. Terwilliger?—A. Yes.

Q. By any one else?—A. I think there was one or two spoke; but I could not state positively.

Q. You say he sent for you to come to the custom-house?—A. Mr. Benedict sent for me, the deputy surveyor, and he told me the collector wanted to see me.

Q. Did you see the collector himself when you went there?—A. The collector had gone out with the committee.

Q. With this committee?—A. Yes; gone down to visit some warehouses, I think.

Q. And you were then told that it would be better for you to exercise this influence, if you could, upon Senator Patterson?—A. Yes.

Q. Was any intimation given to you at that time in regard to what would be the effect in case you did not or did?—A. Nothing by Mr. Terwilliger, directly.

Q. What was your first information of the fact that you were going to be removed?—A. The first intimation of the fact that I was going to be removed, I was removed; and I was told of it in the custom-house; in about half an hour my successor came with his appointment—as soon as I got to my office.

Q. Had you any rumors to the effect of that before?—A. I had the rumor three or four days before that, and sent a gentleman to the collector to see if everything was all straight, and he said there was to be no change; that it was all right.

Q. Who said that?—A. The collector. At that very time when he said that my name was in the Secretary of the Treasury's office for removal.

Q. How did you ascertain that fact?—A. I ascertained that fact through Senator Patterson.

Q. Were you ever called upon to subscribe to any political newspaper in aid of the custom-house or the collector?—A. I received a notice from the collector, or his private secretary, one day, with the prospectus of a newspaper, to be edited in the custom-house interest, and told that I was expected to subscribe and to help increase the circulation of it, if I could.

Q. What was that paper to be?—A. That paper was to be—I don't know what it was to be; it was to be edited, I think, by a Colonel Dugan. It was to uphold the management of the custom-house.

Q. How do you mean uphold the management of the custom-house?—A. To defend it. I don't know as I could give you—it would be a custom-house paper.

Q. In the interest of the collector?—A. In the interest of the collector; yes.

Q. When was that?—A. I could not tell; that was some month or two previous to my removal; I didn't pay any attention to it.

Q. Did you subscribe to that paper?—A. No, sir; I paid no attention to it.

Q. Then, in all, if you have thought of this matter since, and the causes of it, to what do you attribute the fact that you were removed so suddenly from your position in the Government employ?—A. I attribute it to the fact that Senator Patterson, in making the report, didn't whitewash the collector as he wanted to be whitewashed; he made a report that was less favorable to him than he wished to be made.

Q. And you have no facts of any kind to lead you to any other conclusion than that?—A. No, sir; I have no doubt of it at all; I know it as well as I know anything.

Q. From your experience here among the weigh-masters, do you consider that the force, present force of weigh-masters is sufficient, or are there too many in the port at present?—A. I think that, to run the weighing department of the custom-house as private enterprises are carried on, that six weighers, with their six foremen and six clerks, could carry on all of the weighing in this port—in New York.

Q. That is to say, if the labor was equally distributed between them?—A. Certainly; yes, sir.

Q. But I understand you to say that, under the present system, there is a great inequality?—A. Yes, sir.

Q. And some are overpressed and others are idle?—A. Yes; in my district I put in three or four millions a month, while others beside me would put in twenty to twenty-five millions in a month.

Q. Could you readily have attended to the larger amount of business?—A. I could, for a larger portion of the time; they had about all the tools I had in my office, and had borrowed them to carry on the work; they had about all the tools I had in my district to do their work with, my men lying still and doing nothing.

Q. Have you ever made an estimate of the cost by which the weighing of this port could properly be done?—A. Well, if six weighers and their foremen and clerks could do the work, it would make a saving of about \$65,000 a year to the Government.

Q. Are you satisfied, from what you saw, that six weighers would be sufficient to superintend the weighing in the port?—A. I have no doubt of it.

Q. And as it is now I believe the actual weighing—that is to say, the putting of the goods upon the scales and ascertaining the weight by the scales, is done entirely by unsworn persons?—A. I think the foremen are sworn; putting the goods on the scales and taking them off, and attending the beam, is done by unsworn persons; yes.

Q. Is not that, after all, the real, actual ascertainment of the weight?—A. Yes.

Q. How many foremen has each weigher?—A. One.

Q. How many gangs of people will one foreman in a busy district have under him at the same time, all at work?—A. I have known them to have ten gangs.

Q. At once?—A. Yes.

Q. And all those gangs scattered in different places?—A. Yes; they would be on two or three different piers.

Q. Those gangs were gangs of laborers?—A. Yes.

Q. They were not sworn?—A. No, sir.

Q. Was the act of weighing—noting the weight and setting it down in the book—all performed by unsworn men?—A. Yes, sir.

Q. As a matter of fact, did the weigher oftentimes examine the beam and criticise the manner in which the weighing was performed?—A. I used to very frequently; I never weighed any myself at the beam.

Q. Is it practicable, in a very busy and large district, for the weigher himself to have any personal knowledge or certification of the weight of the merchandise upon which the duty is to be paid?—A. It would be impossible for him to have it so.

Q. In regard to his foreman, could he have any more?—A. He could not have it all under his eyes at once.

Q. It would be impossible?—A. Yes, sir.

Q. That statement is in corroboration of every witness who has spoken before us, that, for the actual ascertainment of the weight of the dutiable merchandise in this port, the Government has to rely upon the services of unsworn men, and those of a character no higher than laborers on the dock?—A. Yes, sir.

Q. Is that the case?—A. That is the case, as far as my knowledge extends.

Q. Did you ever know of any representations being made to the surveyor of the port that a number of superfluous hands were employed in doing this work?—A. In one case I did.

Q. What was that?—A. That was the case when Mr. Reed was weigher; he had some seven or eight to a gang, and he had some trouble with his foreman; his foreman would refuse to certify on the pay-roll these men actually employed, and he didn't want to employ so many, and he came to me and asked—his foreman, Mr. William H. Jayne—came to me and asked my advice what to do about it. I advised him to go to the surveyor, and lay the facts before the surveyor, and ask him to remedy it, as he had charge of the weighers. He did go to the surveyor and laid the facts before him, so he told me; and I saw him come out of the surveyor's office when he went up to do it. It never was remedied while I was there.

Q. What surveyor was that?—A. Mr. Cornell.

Q. Did Reed abstain from employing this number of superfluous men?—A. No, sir; he kept right on, so Mr. Jayne informed me.

Q. And no notice was taken—the surveyor made no attempt to remedy it?—A. No, sir.

Q. Did you ever see him personally—the surveyor—on the subject?—A. I never did, about employing men; I went to him and made a statement of the way the districts run—the work that was on the districts; I told him at that time there was some three or four months that I only had a pier and a half; they were fixing up a pier; I had scarcely any work; the weighers adjoining me had my tools, and were having all they could do. I went and asked the surveyor to reorganize the districts, so that we all could do our proportion of the work. He promised me that he would attend to it and do it, and he never did.

Q. You spoke of Mr. Thompson applying to you to reinstate a man—the drunken man?—A. Yes, sir.

Q. What was that man's name?—A. His name was Abbott.

Q. You say he wrote to you if you would put him on he would send you plenty of ships?—A. Yes.

Q. What notice did you take of his letter?—A. I didn't take any notice of it. I never set the man to work again.

Q. Have you any knowledge whether Abbott was employed elsewhere?—A. He was on Mr. Blatchford's district, and was employed there about all the time when I came away, and has been employed ever since, so I understand.

Q. Is he another weigher?—A. Yes.

Q. What district is that?—A. District No. 11, adjoining me.

Q. Did any amount of work follow that?—A. He had all he could do.

Q. Was there an increase of the number of ships sent to that point?—A. I think there was.

Q. Is there anything else in respect to your employment and duties which you wish to speak of to this committee?—A. None that I think of at present.

By Mr. STEWART:

Q. Where did you reside when you were appointed to the custom-house?—A. In Dover, New Hampshire.

Q. What was your occupation at that time?—A. I was in trade—a merchant, when I was appointed.

Q. You were appointed by United States Senator Patterson?—A. Yes.

Q. You never had resided in New York up to that time?—A. No, sir.

Q. You continued to regard New Hampshire as your home?—A. Yes.

Q. Attended election there?—A. Yes, sir.

Q. And kept your family there?—A. Yes.

Q. How often did you go to New Hampshire?—A. I used to go every month or two. I kept my family on here a portion of the time; they staid here five or six months.

Q. How long were you absent at a time?—A. I would be absent two or three days generally; would go home Friday night, and get back Tuesday morning; sometimes I was gone longer, when I went home to election.

Q. How long were you engaged when you went home to attend to politics—to attend to election?—A. I think I had a leave of absence—the longest was ten days, once.

Q. What election was that?—A. That was the March election of 1870, I think.

Q. You were appointed on what day?—A. The 23d day of August, 1867.

Q. How long did you continue?—A. To the 17th day of May, 1871.

Q. A little less than two years?—A. Yes.

Q. About twenty-two months?—A. Yes.

Q. During that twenty-two months how much were you absent?—A. I could not tell.

Q. How many days are they allowed by custom or usage in the department during the year?—A. I don't know that.

Q. Were you gone during that twenty-two months as much as a month?—A. Yes, sir, I think I was.

Q. Were you gone as much as two months?—A. I think not.

Q. Six weeks?—A. Somewhere from a month to six weeks, I should think.

Q. And one time, you say, you were gone ten days on election business?—A. Yes.

Q. Were you at any other elections during that period?—A. Yes, sir; I was home at election in 1871—March.

Q. How long were you gone on that occasion?—A. Only gone three or four days, then; just long enough to go home and vote.

Q. Did you attend any convention in your absence?—A. No, I think not; I don't recollect that I did.

Q. Did you attend the primaries there?—A. I think I attended; I think they had an election caucus one night—Saturday night—and I voted Tuesday morning. I attended

that caucus, and that is all I recollect. That is what you call primary—to nominate candidates.

Q. You attended one of their primary assemblages, I mean one of those preliminary meetings, where they nominate candidates?—A. Yes.

Q. You were not known to the collector at all when you were appointed? You were appointed by Mr. Grinnell, were you?—A. Yes, sir. No; I was not known to him personally.

Q. You were appointed because Senator Patterson requested it?—A. Senator Patterson did not request it, but he had requested a position for me, and about when he was here they had removed General Egan, and Mr. Grinnell tendered that place to him.

Q. Where was General Egan from?—A. I don't know; I never saw the man.

Q. Then you were removed in May last?—A. Yes, sir.

Q. Who was appointed in your place?—A. Mr. Edwards—Robert Edwards.

Q. You say that in one district—Mr. Reed's district, I think—he used to employ a large number of men, seven or eight in a gang—an unnecessary number?—A. Yes, sir.

Q. Was there anything in that district that made it necessary to have more men? What did they weigh in that district?—A. They weighed everything; iron and lead. I weighed the same classes of goods and used only five men to a gang.

Q. You didn't report this yourself to Mr. Cornell?—A. No, sir.

Q. The only evidence you have that it came to his knowledge was, that a man told you he reported it?—A. That was all.

Q. You don't know what he did say to him?—A. No, sir; I didn't hear the conversation; I saw him when he came out, and he told me.

Q. You think the number of weighers could be very well reduced to six?—A. I do.

Q. You say that it is impossible for the weigher now to attend to it personally, do you not?—A. Yes, sir.

A. How many are there now?—A. There are nineteen.

Q. How do you figure that out, when it is impossible for nineteen to attend to it, that six could attend to it with ease?—A. If nineteen don't have to attend to it at all, of course six would not attend to it any more, so that it could be very easily figured out.

Q. Your idea is that the weigher should not attend to it at all?—A. No, sir; my idea is that he should attend to it by clerks; to choose good men and have good men under him. I think it would be as impossible for him to attend to all his business as for the collector to attend to his business. Let the weigher have his choice of men and pick out his clerks, and he can attend to it as faithfully as any part of the custom-house business.

Q. Your idea is that the business should be done by men selected by the weigher, and not by himself?—A. Yes, sir, and the weigher should be held responsible for what the men do. That is my idea.

Q. If there was only six of them, you would have to trust entirely to these men?—A. There would be no opportunity for him to have any personal supervision. For instance, if a weigher puts in twenty-six millions on three or four piers, he can put in the same number of pounds on eight or ten piers, and it is just as easy for one weigher if he can put in twenty six millions on one district—it would be just as easy for him to put it in on two districts.

Q. Why could not you, if you were not going to have any personal supervision, have one man to attend to the same thing?—A. That is Mr. Jayne's and Senator Fenton's theory, but that is not mine. I think six better than one.

Q. You don't think it would be a good plan to have it divided up, and have it so that the weigher himself could exercise some personal supervision?—A. So that one weigher should exercise it?

Q. You don't think the idea of dividing up the districts sufficiently, so that each weigher can exercise some personal supervision in his own district—you don't think it is necessary to have any personal supervision?—A. Senator, I do; and think it is very necessary that he should have a personal supervision of it.

Q. Would reducing the number facilitate the opportunities of personal supervision?—A. It would not lessen it any, not the way it is managed.

Q. Six would have as good an opportunity for personal supervision as nineteen? Do you want it understood that way?—A. I want to be understood that six weighers, with six foremen and six clerks, with the men that they can put under them, could exercise personal supervision, and carry on the whole weighing business in the New York custom-house.

Q. Would you have the clerks and foremen sworn officers, or just the same as they are now?—A. Yes.

Q. Would you have them sworn officers?—A. Yes. I would have them sworn officers. I would have the man that attends the beam a sworn officer.

Q. Then you would reduce the number of weighers, and would increase the number of sworn officers?—A. I would increase the number of sworn officers; yes, sir.

Q. You say that it is a universal custom to receive as perquisites compensation for making out duplicate statements of the weights and giving them to the merchants?

—A. Yes; I think that is so.

Q. You think that they all do?—A. There may be some exceptions. I think that is the general practice—where they can get any perquisites, to take them.

Q. You know of no exception that there has been to it, at all?—A. Yes; I think I know of one or two exceptions.

Q. Then the rule is not exactly universal?—A. Well, it is universal enough so that they most all take them when they can get them.

Q. Have you ever reported that to the collector?—A. I don't think I ever reported it. I think it was reported to Collector Grinnell at one time; but I don't know.

Q. You never had any conversation with Collector Grinnell or Mr. Murphy upon that point?—A. Not that I recollect of; no, sir.

Q. You think it was reported to Mr. Grinnell, but you are not certain?—A. I am very confident it was, but who reported it, or when it was done, I do not know; I am very confident it was.

Q. Was it a practice that was established when you went there; did you find it when you went there?—A. I was told that it had been the practice for a great many years.

Q. What do they do to get the money; do they copy it off?—A. They do, and make returns of the weights of this iron, or whatever it is, to the importer, and he has a rule how much to pay for those returns; some pay more and some pay less.

Q. But each merchant has a rule how much he will pay for it?—A. Yes; some don't pay anything.

Q. Do they deliver them to them then?—A. No; I believe they do not; I believe Mr. John A. Griswold never pays anything, and never gets any weighers' returns, I understand.

Q. All that do get weighers' returns pay for them, do they?—A. They have to, I guess, in order to get them.

Q. Who has control of those returns; anybody except the weigher himself?—A. The weigher has control of them; he can designate from his men who shall do it, whether it is his foreman, or clerk, or whoever it may be.

Q. Does he take the money himself, or divide the work?—A. As far as my information is concerned, he generally takes it himself.

Q. The weigher takes it himself?—A. Yes. Whether the weigher divides—some say they do, and some say they do not—I do not know how it is.

Q. Is it a large amount of copying; in unloading ships or large invoices of iron, would there be a large amount of copying required; are there figures, showing each parcel and statement made out?—A. Yes; generally showing each draft and then the amount—the figures.

Q. You say that at the time that Senator Patterson was here with the committee you were sent for to go to the collector?—A. Yes.

Q. And you met Mr. Terwilliger?—A. Yes.

Q. What did Mr. Terwilliger say to you?—A. I asked Mr. Terwilliger what was wanted of me. He said that the collector wanted me to come before the committee, and make a statement on the economical and the general running of the custom-house, to counteract the statement of other witnesses that had been made before the committee, in disparagement of the way the collector had been running it.

Q. What did you say to that?—A. He said that the committee and that the collector had gone, and he was very sorry that it so happened.

Q. What did you say about your capacity to make such a kind of statement?—A. I didn't say anything about that—the capacity nor anything about it. He immediately then commenced the conversation, and wanted to know if I could not see Senator Patterson, and have an influence with him to make a favorable report on the custom-house matters here.

Q. How have an influence—by explaining matters, or by personal influence?—A. Well, I take it to be by personal influence; to go and ask Senator Patterson to try and make a smooth report. I told him that I didn't know—I didn't think that Senator Patterson could be approached in any such way as that; then he wanted to know if I was acquainted with Mr. Benton, who was a member of the committee. I told him I was. He wanted to know—he said he thought Benton was all right anyway, and wanted to know if I could not see Benton, and have him operate to that effect on Patterson. I told him I didn't know anything about how Mr. Benton felt on the subject, or what influence he could have, or anything about what kind of a report they had made up their mind to make, but that I would see Mr. Benton that night and ascertain, if I could, what the report was, or how it would be, or what he knew about it. I came up here to the house that evening; the committee had gone, or Mr. Benton had gone, and I think that Senator Patterson and Mr. Sheldon had just gone out of the door, or were just going out to take a carriage. I just passed the time of day with them; that is my impression.

Q. Did you propose to have a talk with Benton at that time, to explain to him how

the custom-house was worked; did you come with that intention?—A. No, sir; I didn't come with any such intentions; I came with no such intentions as that. I thought if I saw Mr. Benton I would ask him if they had made a report, or what the nature of it was. I didn't know exactly what I should say. I came with no intention of influencing him, or saying anything in that line, for I didn't suppose, even if I had been so disposed, that I would have any effect that way.

Q. I don't think you would have affected Mr. Benton much.—A. No, I don't think I should.

Q. If you had been called upon at that time to have made a statement about the affairs of the custom-house, would it have been favorable or unfavorable; what was your opinion at that time?—A. My opinion at that time is just what my opinion is now, and I should have made a statement similar to what I have made now before the committee here, as to the management of the custom-house affairs.

Q. You have no idea for what you were removed; there was no cause assigned to you?—A. No, sir; nothing more than I have said.

Q. Except that you think it was on account of the feeling of Mr. Murphy toward Senator Patterson?—A. I have no doubt of it; the fact that Senator Patterson wrote to Collector Murphy and asked him why I was removed, and he treated the letter with silence, would go somewhat to make me believe that.

Q. You were somewhat irritated about it?—A. Not a bit. I should have resigned the 1st day of July, anyway, if I hadn't been removed.

Q. Where were you when you were subpoenaed here?—A. I was in Dover, New Hampshire, when I was telegraphed for.

Q. You were there when you wrote, for the purpose of giving information in regard to the matter; you wrote a note to a member of the committee, did you?—A. I was in Dover when I wrote a note to a Senator; yes, sir.

Q. Your object in writing that note was to get subpoenaed here?—A. No, sir; I hadn't any idea of it at all—not a particle. In fact, I should rather not have come than to have come, by considerable.

Q. Then you have no feeling about your having been removed at all?—A. The only feeling I have about it is, that I should rather have gone out by the front door than to be kicked out of the back door; that is all. If the collector had told me he wanted the place, I should have given my resignation cheerfully, for I should have resigned the 1st day of July, anyway.

Q. You thought that it was an indignity to be put out that way?—A. I don't know that it was an indignity; it didn't suit me as well as if I had gone out the other way. I had a little pride about it.

Q. You say that you paid assessments for political purposes?—A. Yes, sir.

Q. Did you do that voluntarily, or by compulsion?—A. I did it by compulsion. I never pay out money voluntarily, if I can help it.

Q. For any purpose?—A. No such case as that, unless in a case of need.

Q. Then you regarded yourself as coerced to pay the money?—A. I think I was.

Q. Did you ever know anybody to be put out of office for not paying it?—A. Out of the custom-house?

Q. Yes.—A. I don't know that I ever did.

Q. How did they coerce you; you were not personally intimidated, were you?—A. They coerced me in this way: in coming up and telling me they wanted so much money, and asked me for it, and I gave it.

Q. Would you be coerced that way under ordinary circumstances?—A. No, not as a general thing. I hold on to it as long as I can. I didn't pay any more than I could help.

Q. Is that the only coercion there was—this coming to you and saying they wanted some money?—A. Yes, sir.

Q. That you call coercion?—A. I call it forcing money out of me.

Q. This asking for money, do you call that forcing it out of you?—A. If a man steps up to me and asks me for money, and I know I have got to do it or something worse, I call it coercing me; I don't know of any man that ever refused to pay any. That is the point. If I knew of any man that ever refused to pay any, then I could tell whether he had been put out of office or not, for not paying.

Q. When was the last assessment collected from you?—A. The 31st day of March, 1871.

Q. You had made up your mind then to resign on the 1st of July?—A. Yes; I should have resigned anyway, the 1st of July.

Q. You were in a very good position to make a trial and see if they would turn you out for it; why didn't you make an issue?—A. I didn't prefer to be that kind of a martyr. If they wanted to get \$25, I would give it to them.

Q. That was to be used in Connecticut?—A. Yes, sir.

Q. Did you ever have any to be used in your State?—A. I think not.

Q. Are you pretty confident that there was no assessment?—A. I am pretty confident that there was no assessment made in the New York custom-house to be used in

New Hampshire. I am confident I never had any of it, and I am confident I never knew of any being sent up. I can speak from my own knowledge.

Q. You are confident there was none collected in the New York custom-house to be used in your State?—A. Yes; I think so.

Q. Your salary was how much?—A. Twenty-five hundred dollars a year; that is, the Government tax out of it—some 2 per cent. or $2\frac{1}{2}$ per cent.

Q. How much did that leave your net earnings?—A. Two thousand four hundred and twenty-five dollars.

Q. That was all the money you got?—A. That was all; that was my salary; yes.

Q. You didn't have anything but the salary, did you?—A. No, sir; Government only paid my salary, and that was all I got from the Government.

Q. You didn't get anything else from anybody else, did you?—A. Yes; I believe I did get a suit of clothes from a man in New Hampshire; that was the heft of what I got.

Q. You didn't fall into this habit of accepting gratuities?—A. Yes; I was an exception to that rule; I never had any chance; they put me in a poor district, where there was no chance; that was my luck. They called me a carpet-bagger, and I took the outskirts, and left the others to take the plums inside.

Q. You think that carpet-baggers were a little unpopular?—A. There was no doubt of it in my mind, in that locality.

Q. Are you quite sure that the fact that you were a carpet-bagger might not have had something to do with the collector's removing you?—A. I have no doubt if I had lived in New York and attended the primaries, I should not have been removed; but, being a New Hampshire man, I was.

Q. You found a good deal of prejudice around here, among the politicians and citizens, against the carpet-baggers coming in?—A. There was nothing expressed very decided against me. I had frequently heard that outsiders had no business to be in office in New York.

Q. How many of them were there from New Hampshire?—A. New Hampshire had a pretty good representation; at that time they had four or five. There was some forty on the list accredited to New Hampshire, but there was a good many accredited that didn't come from there; there was only, I think, four or five that were New Hampshire men—that belonged to New Hampshire. New Hampshire was pretty well accredited with representatives.

Q. How many did Senator Patterson have?—A. Senator Patterson and Senator Cragin, I think, were on the papers of all those five.

Q. What became of all the other four?—A. The Lord only knows; I don't know. There is one here now, and I don't know what has become of the rest of them, whether they were removed or are in the custom-house.

Q. How did it happen that you were the only one of the five removed?—A. I had the best office out of the whole five. I had the weigher's office; and there is more applicants for that than any other office in the custom-house, as I understand.

Q. Then you don't think it was all actuated by spite; there was a part of the motive, to get a good thing for somebody else?—A. I have no doubt, if the report had been made to Congress in that investigating committee, favorable to the collector, that if I had wanted to have staid, I would have been in the custom-house now. I have no doubt of it.

Q. You don't know, then, what has become of the other four?—A. No, sir; there is one of them there.

Q. What office is he in?—A. I think he is paymaster.

Q. Did they come in at the same time you did?—A. No; I think they went in after or before; one of them went in after. I think they all went in, in fact, before. I think one of them has been in eight or ten years.

Q. When they talked about your being a carpet-bagger—you are a pretty outspoken man—you talked to them plainly about it?—A. No one came to me and suggested to me that I was a carpet-bagger.

Q. If they had suggested it to your face, you would probably have given them your opinion?—A. I might; I never hesitate to give my opinion when it is called for, and sometimes when it is not.

Q. Did you express your opinion pretty freely about the custom-house when you were there?—A. No, sir; I did not.

Q. You said that Mr. Cornell arranged that they should be—Mr. Grinnell, while he was there, before Mr. Murphy came in—the arrangement was that the weigher should be selected by lot?—A. By lot.

Q. After Mr. Murphy came in, they were to be assigned by the surveyor?—A. Yes.

Q. Which do you think the best of the two systems?—A. I think the assignment by lot was the best, by all means.

Q. Might not the same man draw the same district two or three times by lot?—A. They didn't draw it when we drew.

Q. But the surveyor, when he stationed them, he changed them around, did he not?—
A. Yes.

Q. I thought the object of this drawing by lot was to change them around, so as not to have any weigher located permanently in one district; was that the idea?—A. That was the idea.

Q. How often did they draw, under that rule, by lot?—A. They drew once by lot under Mr. Grinnell.

Q. And then, when they got the district, they kept it permanently? Was there any arrangement for drawing?—A. I think they drew once under him, and I think in about three or four months Mr. Murphy came in, and Mr. Cornell assigned weighers to the districts. The twenty-two months I was there there was three separate changes.

Q. How long did a weigher have the same district, under the new arrangement—under Mr. Cornell?—A. I should think about eight months. I think that was it, under him.

Q. Your district, then, was always a poor one?—A. Invariably, the meanest district in the whole custom-house I got.

Q. Do you think your being a stranger in a strange land had anything to do with that?—A. It didn't by lot, because I drew a poor district when I had the lot; but I think, under the other assignment, it had something to do with it.

Q. The assignment didn't help you any, and your luck was just as bad as the assignment?—A. My luck was pretty poor, but still anything for a change; it was near to the custom-house, and I didn't have so far to travel, and I liked it better than the others.

Q. Did you see Senator Patterson after you were removed, and try to find out the cause of this removal?—A. Yes, sir.

Q. Did you ever speak to Mr. Murphy about the reason of your removal?—A. I have never seen Mr. Murphy since I was removed; I went up to see him at his office, and he wasn't there, and I saw Mr. Terwilliger.

Q. Have you ever seen the papers in the case, yourself, by which you were removed?—
A. All I ever saw was Mr. Edwards's appointment. Mr. Terwilliger said there were no papers, no charges, or anything of the kind; and Mr. Patterson wrote to the collector, and he didn't tell him why I was removed; and there were no charges, so Senator Patterson told me, in Washington, with the Secretary of the Treasury; there was simply a paper sent on with my name, to be removed.

Q. You are now residing in Dover?—A. Yes.

Q. What business are you in there?—A. I am in nothing.

Q. You haven't engaged in any business since you went out of the weighing?—A. No; I am speculating a little; making a dollar where I can. That is all; no permanent business.

Q. While you were in the custom-house, the most of the officers took some part in politics somewhere, didn't they; how was that; you have described how you did; how did they generally do?—A. There was some I didn't know anything about how they took part; I knew there was some taking part in politics; yes, sir.

Q. Were they away more than you?—A. I could not tell as to that; I think some of them were away fully as much if not more than I was.

Q. You have no feeling now toward Mr. Murphy, or Mr. Terwilliger, or anybody, for this removal, have you?—A. Well, I have a feeling; yes, I must say that I have a feeling, that I would rather have had them notify me that they wanted to be relieved, than to be removed, as I was, without a cause. That is the only feeling.

By Mr. PRATT:

Q. I want to ask you a few questions on ground not traveled over by the others. You wrote a letter, I understand, to Senator Bayard of this committee, did you?—A. Yes, I did.

Q. As that letter has not been read to the committee, will you please state the contents of it; what did you say to him?—A. I don't know that I could state—

Mr. BAYARD. I told the committee at the time that this letter had been sent to me, and I hesitated to summon a witness so far away; I stated to the committee about the letter at the time, and I said that the letter was marked confidential.

Mr. PRATT. (To witness.) You may state the contents of that letter as near as your memory will allow you to do it.

Mr. BAYARD. I stated to you, Mr. Pratt, that the letter was marked confidential.

Mr. PRATT. I wish to learn his motives for making these complaints. That makes no difference, I suppose, now he has come before the committee.

Mr. CASSERLY. He has not testified as to the contents of that letter at all.

Mr. PRATT. He has not, and that is what I am inquiring about.

Mr. CASSERLY. I am sure I don't know that there is anything in it, but it is a very odd proposition to make, that, because a witness writes a letter to a member of this committee, in confidence, he can be compelled to disclose the contents, or would be asked to do it.

Mr. PRATT. I will take the judgment of the committee. He had no right to write a confidential letter. This committee was sitting in open, public session.

Mr. BAYARD. That is the most remarkable proposition I have heard for some time.

Mr. CASSERLY. You have received confidential letters several times.

Mr. PRATT. I have received suggestions as to questions to put, and I have put those questions.

Mr. CASSERLY. I should think it a very ungentlemanly thing to demand from you the contents of those letters.

Mr. PRATT. I should cheerfully have given them to you; I think they were proper questions.

Mr. CASSERLY. At all events, you would be the judge whether you would give the contents or not; though, as I said, I ought not to have said anything about it. It is Mr. Bayard's confidence and not mine. It occurred to me, perhaps, Senator, that you didn't exactly understand what Mr. Bayard said.

Mr. BAYARD. I don't know what Mr. Pratt understood.

Mr. PRATT. If there is any odium whatever in propounding the question, I take the responsibility of it. If the committee think the question is an improper one, they can overrule it.

Mr. BAYARD. I choose that the circumstances under which this letter was asked for should be thoroughly understood. I don't know that any man has a right to impose his confidence on me without my consent. The gentleman who wrote this letter was to me a total stranger; I never saw him until I saw him here, but he wrote me this note, and when we were speaking of the witness, I said that I had received a note from a gentleman whom I thought should be summoned, because I subsequently heard he was an intelligent man, and would give us testimony on this point, having been one of the custom-house officers. I was asked his name and I gave it; I had the letter in my hand at the time, and I mentioned the fact that I would read it, but that he had marked it confidential. That Mr. Pratt, after I had stated that fact, thought he should call upon the witness to disclose the contents of his confidential letter to me, is something that strikes me with surprise. There was no necessity for me to say to the committee how I got the letter, or how I got the information. I believe it would have been sufficient for me to have said, "This is a proper person to have called," and the committee would have called him. But my dealings with them, as with most people, are generally of a frank character, and I said I had received a note, and excused myself from handing it to the clerk to be read, by mentioning that I saw on the corner, "confidential."

Mr. PRATT. I think that the committee have a right to explore the motives of this witness in putting himself in communication with this committee. I think we have a right to test his credibility, and this is one of the means that I think proper, in order to determine how far the witness is to be believed by the committee.

Mr. BAYARD. I consider that the asking for this letter, that I have stated as being a confidential note to me, is something that is, to my mind, utterly astounding. You *do* take the responsibility when you ask it. Please read the letter which you wrote to me, [handing it to the witness.]

Mr. PRATT. I have not asked the Senator to violate a confidence.

Mr. BAYARD. You have talked as if there was something here between him and me that dare not come before the committee. The letter shall be read in evidence, although I have said, what I will repeat, that I am astounded.

Mr. PRATT. I will judge of the matter.

Mr. BAYARD. You may judge of your own actions, but I will judge of them in my own way.

WITNESS. I have no objections to reading the letter.

Mr. BAYARD. Let the clerk read it.

The clerk read the letter, in the words following:

"[Confidential.]

"DOVER, NEW HAMPSHIRE, January 16, 1872.

"DEAR SIR: I was a United States weigher under Murphy up to last June, having been appointed under Grinnell, and removed because Murphy could not use me to advantage to further his ends. I can give you many facts, if you so desire. I was assessed repeatedly by him and the surveyor direct for political uses, and hold the latter's written receipt for one assessment of \$50. I run my district for less than one-half it cost many of his weighers to do the same work. If you wish for any such facts as I mention, a call from your committee, by letter or telegram, would reach me and bring me before you.

"Please consider this as confidential.

"Yours, truly,

"W. T. PERKINS.

"Hon. T. F. BAYARD."

Mr. CASSERLY. I move that the letter form a part of the witness's testimony.

Mr. PRATT. I suppose it is a part of the testimony now.

By Mr. PRATT:

Q. I will ask you to state if, at the time you wrote that letter, you had any personal acquaintance with the Senator from Delaware, to whom the letter is addressed?—A. I don't know that I have; I think I met the Senator in Washington some three years ago, but that is the only acquaintance I know of.

Q. Were you introduced to him at that time?—A. I don't think I was.

Q. Why did you not address your communication to the chairman of this committee?—A. Well, I addressed it to Senator Bayard because I saw fit to. I cannot give you any other answer.

Q. Is that the only answer that you are willing to give to this committee?—A. The only answer I am willing to give the committee is that I addressed it to him; yes, sir, that is the only answer I see fit to give.

Q. Do you still affiliate with the republican party?—A. I was born a republican, and have always voted the republican ticket, and expect to die one, right up to the handle.

Q. Were you acquainted with Senator Buckingham, the chairman of the committee?—A. I never saw the gentleman until to-day.

Q. Did you know how the committee was composed—of how many—who were republicans and who were democrats?—A. Yes, I did.

Q. Have you furnished any briefs, or memorandum, or directions, further than is contained in your letter, as to the points or heads upon which you should be examined, to the Senator from Delaware?—A. I have furnished no briefs nor heads for the Senator from Delaware, upon which I should be examined; no, sir.

Q. Has he been in possession of no other writing, except this letter, to call his attention to points upon which to examine you?—A. Yes.

Q. What was the other memorandum?—A. That memorandum was a voucher that you had read here, signed by Senator Patterson and Senator Cragin, for my loyalty to the republican party.

Q. Is that the only paper or document?—A. I will answer the question, if you will wait until I get through—and the receipt which I have read here, and a little memorandum of some of the facts that I have testified to here this evening; that is all that I have furnished the Senator from Delaware.

Q. Was that prepared by you?—A. It was.

Q. Did it furnish the heads upon which you were examined this evening?—A. Furnished but very few of them.

Q. When was that prepared?—A. That was prepared—that has been prepared since I received the telegram to come here.

Q. Was it prepared with a view to aid him in propounding the proper questions to put to you?—A. No, sir; I never supposed he would see it when I prepared it. I prepared it for my own benefit, so that when I got here, if there was anything that I wanted to tell that I didn't recollect, I could refer to it myself.

Q. Did he ever come into possession of that memorandum?—A. Of course he did. I say I let him see it to-day.

Q. To-day?—A. Yes, sir, this evening.

Q. Now, to call your attention to certain other points upon which you have testified—

Mr. BAYARD. Before you pass away from this subject. As this witness's communications with me outside of the committee-room, and as the means that have been taken to inform me as to what he knew, his prior acquaintance with me, and his correspondence, which he thought was to be confidential, or he chose to send to me confidentially, and which, in my opinion, the committee did treat as confidential, and which every member of the committee ought to have treated as confidential—nevertheless it has now been dragged out for the benefit of the Senator from Indiana, and they are now out in full upon the record. I must say that, respectfully, I protest against this abuse of the power of examination in a committee, in which I am compelled to sit at a table and hear these questions asked in regard to my private conduct, and my meeting with the witness, to be brought out in this manner; to appear upon the record before the Congress of the United States; I protest against it. I say it is unheard-of and unprecedented. I say it is undue and unbecoming.

Mr. PRATT. I have this to say, in reply to the Senator: that, in asking this question, I don't desire to cast any reflections upon his conduct at all.

Mr. BAYARD. There is nothing which it is possible to touch in connection with it.

Mr. PRATT. If the Senator is through and will not interrupt me, I will continue my remarks. What I desired to know was, what were the motives of this witness in seeking to come before this committee, and I am exploring these motives for no other purpose except for the simple one of determining what degree of credibility is due to him as a witness. I don't seek to impugn, in the least degree, the conduct of any Senator in receiving any suggestions or memorandum from the witnesses.

Q. You brought the copies of the letter of Senators Patterson and Cragin, and likewise the receipt for the political assessment, for the purpose of putting the same in evidence, did you?—A. I brought those things here in case it was necessary that I would have them to corroborate what I said—in case it was disputed; that is why I brought them.

Q. You have testified in relation to the perquisites which were paid to weighers in certain cases; did you ever receive any perquisites yourself?—A. I never received a dollar.

Q. Did you ever demand any perquisites?—A. I never did.

Q. Was any ever tendered you?—A. I never had but \$5 offered to me in the world, and that was in the custom-house; and I refused to take it.

Q. Did you render any extra service that would call for a perquisite?—A. I never did.

Q. If I understand you correctly, these perquisites which you have described were only paid when extra services were rendered by the weighers—services not demanded by any official duty on their part?—A. Yes; perquisites were paid for furnishing returns of the weights of goods weighed by United States weighers, and furnished by importers.

Q. They were under no obligations, I understood, to furnish these weights?—A. No, sir; not that I know of.

Q. They then performed an unofficial duty in favor of the importers, which they were not obliged to perform, and for which they charged certain sums?—A. They performed an unofficial duty in an official way, signed as official United States weighers.

Q. How long, according to the traditions of the custom-house, has this practice of receiving a perquisite for this extra duty prevailed?—A. I could not tell you.

Q. Do you understand that it is a recent practice, or an old practice?—A. I understand that it was in vogue when I came there, and was so when I left.

Q. Did you understand how long it had been in vogue, or in force, before you came there?—A. I did not.

Q. Did you learn whether it had been confined to one administration, or had extended through different administrations?—A. I did not understand or ascertain anything about it.

Q. Now, what relation did these perquisites bear to the actual service rendered by the weighers?—A. To the Government?

Q. No. What relation did the perquisite paid by the merchants to the weighers bear to the actual service rendered? What I wish to know is, whether the perquisites were unreasonable compensation for the services?—A. Well, I could not say as to that.

Q. What is your answer?—A. I could not say as to that; \$300 a month is a pretty good outside hatchet, besides the man's salary.

Q. Do I understand you that that was an average price?—A. You understand me to say that some weighers have told me that they received that amount.

Q. Is that the maximum amount that you have heard spoken of?—A. I should think that was not; I should think that was more than the maximum amount.

Q. What I mean is, is that the highest amount that you have ever heard as paid in a single month to a single weigher?—A. That is as high as any amount I have heard paid in a single month to a weigher.

Q. What is the lowest amount?—A. The lowest amount is nothing. I got that.

Q. Do I understand you that is all a voluntary matter—the payment of these perquisites—a matter of private arrangement between those merchants and the weigher?—A. Yes, sir; I should say so.

Q. The merchant obtains it for the purpose, as I understand you, of saving himself the expense of having his goods weighed by the city weigher?—A. Yes.

Q. The presumption is that he would not pay the Government any more than what he would have to pay the city weigher?—A. That is the presumption.

Q. Now, did you discover, while you were in the custom-house employ, any favoritism in the assignment of weighers to the different districts?—A. I think I did.

Q. In what instance?—A. In my instance; I would get a poor district, and other weighers would get good ones.

Q. There were seventeen districts?—A. There was eighteen districts.

Q. What proportion of that number were good districts, and what bad?—A. I should think about half of them what would be termed good districts, and about half of them what would be termed poor ones.

Q. What would the poor ones pay, on an average?—A. I had one so poor it didn't pay anything, and the others, I don't know what they would pay, I am sure.

Q. Did you ever know of any weigher, under Mr. Murphy, re-assigned to the same district?—A. Yes; I think Mr. Blatchford; when he drew a lot under Mr. Grinnell, he drew a district in Brooklyn; when the assignment was made, the next assignment was made by the surveyor, he was assigned back to the district that he left when he went to Brooklyn.

Q. Is that the only case that occurs to you?—A. That is the only case that I now recollect of; there might have been others, but I don't recollect them.

Q. Did Mr. Murphy, while you were in office, make more than one assignment of weighers to the districts?—A. Mr. Murphy did not make them; it was the surveyor.

Q. I meant to say Mr. Cornell, under Mr. Murphy's administration; did he make more than one assignment of weighers while you were there?—A. I think he made two, and one just after I left.

Q. Now, in making those assignments, did he change the weighers around to different districts than those which they had before?—A. Yes, sir.

Q. The same end, then, was substantially gained that was obtained in the assignment by lot, was it not?—A. No, sir; the same end was not gained, because in the assignment by lot the weighers all took their chance and drew the district as it came. In the assignment by districts these weighers that had been having good districts got good ones, so that it made no change for them, and we weighers that had poor districts got poor districts; so that, in that respect, there was not much difference.

Q. If that was so, how did the assignment of the districts differ from the districts which the weighers had by lot?—A. It differed in this respect, that some of these weighers that had good districts in every assignment made by the surveyor got some of the poor districts where they drew lots, and never have had poor districts where they been assigned. It made that difference.

Q. So that certain weighers who had poor districts under the lot system, or the drawing system, obtained good districts afterward?—A. Yes.

Q. And those who had good districts under the drawing system—did they get poor districts afterward, under the assignment system?—A. Some of them did.

Q. The things were equalized, then, in that respects?—A. They were, in some respects.

Q. Was there any difference in the districts in respect to the amount of duty which the weigher was compelled to perform; that is to say, were the duties of the weighers greater in some districts than they were in others?—A. Yes.

Q. Were they greater in those districts where the perquisites were greatest?—A. Yes; with the exception of one or two districts in Brooklyn—sugar districts; the work was great, and, as I understand, the perquisites small.

Q. What other gains or profits, outside of their salaries, did the weighers come in possession of while you were connected with the custom-house?—A. None, that I know of.

Q. Do you know of any case where a weigher made a false return of the weights to the custom-house, in order to agree with a false invoice?—A. I do not.

Q. Did you hear of such cases while you were in the custom-house employment?—A. I think I heard of one or two cases, but whose they were I could not tell. I think I heard Mr. Jayne, agent of the Treasury Department, speak of one or two cases.

Q. Is it your opinion the practice was not a common one?—A. I don't think it was a common one while I was in the custom-house, although I understood it was very common previous to my going in there.

Q. Did you know of any instance, while you were a weigher, of men being put on the pay-roll who never did any work at all in the district, and the weigher drawing the amount?—A. I never knew of such a case of my own personal knowledge; I have heard of such cases, but I never knew of any.

Q. You spoke of the prospectus of a custom-house paper being shown you and your being asked to subscribe for the paper and to aid in giving it circulation; was the paper started?—A. I don't know whether it was or not.

Q. Who did I understand you to say sent you or gave you the prospectus?—A. It was sent from the collector's office, signed by a Mr. O'Brien, I think.

Q. Who was Mr. O'Brien?—A. He was a private secretary of the collector.

Q. Who was the collector at that time?—A. Thomas Murphy.

Q. You say the paper was not started, to your knowledge?—A. I don't know whether it was or not; I don't know anything about that.

Q. What time was that?—A. I could not say; it was some two or three months before I left the custom-house.

Q. Did I understand you to say that there was no intimation given that the custom-house employes were expected to subscribe for and sustain that paper?—A. I didn't say anything about custom-house employes; it spoke of me—you are expected or desired to.

Q. What answer did you make?—A. I treated it with silence; I didn't make any answer to it.

Q. Did you, while you were weigher, entertain the same opinion that you have expressed to the committee to-night, that six weighers would be sufficient to do all of the weighing, or superintend all of the weighing of dutiable goods?—A. I don't know that I entertained it all the time; I did the latter portion of the time I was in the custom-house employ.

Q. Did you ever give expression to your opinions at that time?—A. Never publicly; I have given private expressions.

Q. Did you give any of those expressions to any of the custom-house authorities?—

A. I think not; no, sir. I was pretty careful about talking that way to custom-house folks while I was there.

Q. If you entertained a conscientious conviction of that kind, what should hinder or prevent you from giving expression of it to the collector or to the surveyor?—A. I entertain a great many conscientious thoughts that way that I don't express in public, of different things. I don't always express every conscientious view.

Q. Did you withhold that expression for fear it might militate against your position in the custom-house?—A. I held it, for I didn't think it would do any good to say anything about it, nor it would not amount to anything, and I might as well keep still as to be talking in any such way. I wanted to be pretty guarded.

Q. You spoke of the coercion under which you paid these political assessments; did you express that view of the matter to any one at the time you paid those assessments?—A. I don't recollect; there were some expressions among the custom-house men who paid them at times, and whether I expressed anything that way I don't know; I might have done it.

Q. That is what I am inquiring for, whether you expressed your opposition to the system?—A. That is what I say, that I might have done it; I don't recollect whether I did or not.

Q. Did you think it wrong at the time?—A. Well, I don't know; in some instances I should think it was wrong. If a man was a poor man, and had just all he could do to live and get a living and support himself and his family—to take that out of his bread, out of his family's mouths—I should think it was wrong.

Q. Do you know that these assessments were remorselessly exacted from this class of men that you have spoken of—men who were unable to pay them?—A. The foreman and clerks were required to pay, and I asked one time that my clerk should not be compelled to pay any assessment, and represented to them that he was poor, with a large family, and had all he could do to get along, and they didn't make any assessment on him.

Q. He was exempted?—A. Yes, sir.

Q. How do you know but what there were a great many such cases as that?—A. O, I do not.

Q. Do you pretend to know that this assessment was a general assessment, and collected from the great majority of the custom-house employés and officials?—A. I do.

Q. How do you know that fact?—A. Because I saw the paper with the names where they had paid, and have heard it spoken of in different departments in the custom-house that they have had it to pay.

Q. At the time you were connected with the custom-house, how many were there in its employ?—A. Well, that I only know by report; I think there were some twelve hundred appointments by the collector and surveyor and naval officer.

Q. Is that exclusive of men that were hired by the weighers occasionally?—A. Yes, sir; I think so.

Q. These were regular *attachés* of the custom-house?—A. I think so.

Q. Now, how many of these men did you see upon the subscription list, marked as having paid?—A. I saw nineteen weighers.

Q. I understand you that is a class of men that could pretty well stand the assessment?—A. I stood mine; I suppose they could stand theirs.

Q. The salaries, I understand you to say, were what?—A. Twenty-five hundred dollars. I could stand it if they didn't come too often; if they came too often it would be a hard fight.

Q. You received, for the twenty-one or twenty-two months that you were there, \$4,040?—A. I received \$2,500 per annum.

Q. What did I understand you to say did you pay during that time?—A. For the custom-house, some \$250 to \$275.

Q. Is that a higher rate than you would have to pay at home, as a citizen engaged in mercantile interest—to pay for the assistance of your party?—A. Yes; because we can make \$5 go a little further there, in New Hampshire, than we can in New York.

By Mr. CASSERLY:

Q. Especially when it has to go through the hands of politicians?—A. Yes; exactly.

By Mr. PRATT:

Q. Now, you have expressed the opinion to the committee that your head (using your own figure of speech) would have gone into the political basket if you had not complied with these political requests; how do you know that fact?—A. I know that fact just as well as I know that your head would go into the basket as United States Senator if you voted the democratic ticket right straight along, when the election came along.

Q. Did I understand you to testify a while ago that you had never known of a case where a man was rotated out of office in the custom-house because he had declined to pay a political assessment?—A. I did; and said at the same time that I never knew a case where a man had refused to pay an assessment.

Q. But I understand you, in the case of your own clerk, that he was exempted from the political assessment?—A. He knew nothing about that; I went and asked; he knew nothing about it.

Q. This is all a matter of mere inference and opinion upon your part, is it not? Is it anything else than a mere opinion and conjecture upon your part?—A. That is all founded on good reasons, as I think.

Q. Was there any different coercion brought to bear upon you, in this matter of political assessment, than there was brought to bear upon you at the time you were requested to see Senator Patterson and Representative Benton; was there any different coercion?—A. Yes; entirely different.

Q. In what respect? Please distinguish.—A. In one respect it was simply asking me if I could not see them, and in that manner; and another respect, a paper was brought right to me with my name on it, to put down against it so much.

Q. Now, suppose you had said that you would not put down so much; you would not put down anything; what knowledge have you from which you draw the inference that you would have been dismissed?—A. It was the general belief entertained by all custom-house officers, and known among them, that if they refused to pay that they would go.

Q. How do you know that was the general belief?—A. Because it was said by custom-house men that at one time, when Mr. Smyth was collector, they dare not go around with this paper for fear he would find it out, and he was against having it assessed that way, and they would have their heads cut off, and for that reason they put their hands in their pockets and gave it without an assessment.

Q. Did you ever hear this from the collector, or naval officer, or surveyor, or from the appraiser?—A. I heard it all through the custom-house.

Q. Who did you hear it from?—A. It was general talk all through the custom-house.

Q. Did you ever hear it from the naval officer, or surveyor, or collector, or any deputy collector, or appraiser?—A. I don't think I ever heard from the appraiser, or collector, or naval officer, or surveyor, for they never spoke to me about it.

Q. This was not, then, a general talk throughout the custom-house?—A. Among the employes it was.

Q. What was the rank of those employes that this belief prevailed among?—A. It was up as high as the rank of weigher, anyway.

Q. You mean that this was a general opinion among weighers?—A. This was a general opinion among weighers and among clerks that I talked and conversed with.

Q. How many clerks did you converse with who expressed that opinion?—A. I don't know; I could not say; a good many.

Q. Then you think the case was different where you were called upon to contribute money, and where you were asked to see Senator Patterson in the first place, and Mr. Benton afterward?—A. I think the case, under ordinary circumstances, would be different, but I think in my case it was the same. I think if I had refused to have paid I should have had my head cut off; and I think, because I didn't see Senator Patterson, my head was cut off, so that it was the same in either way.

Q. I understand you to say you were willing to be coerced to go and see Mr. Benton?—A. If you understood me to say so, you didn't understand me correctly. I said I would go and ascertain, if I could, from him, what kind of a report they would make. I didn't say to him that I would try and get Mr. Benton to operate on Senator Patterson.

Q. What did he ask you to do with Representative Benton?—A. He asked me, in case I could not influence Senator Patterson any, if I could not operate on Mr. Benton, so that he, through me, could give an opinion.

Q. Did you say to Mr. Terwilliger that you would not operate upon Mr. Benton or attempt to?—A. I did not; nor I didn't tell him that I would.

Q. Did you tell him that you would go and see Mr. Benton?—A. I did.

Q. What did you tell him that you would go and see Mr. Benton for?—A. I told him that I would go and see Mr. Benton, and see if I could ascertain what kind of a report, or how the report would, if he knew anything about it.

Q. Was Mr. Terwilliger satisfied with that answer?—A. He appeared to be.

Q. Did you ever see the letter that Senator Patterson wrote to Mr. Murphy, inquiring the cause of your removal?—A. I saw it, but never read it. I was in the office talking with Mr. Terwilliger, asking him the cause of my removal, if he knew it, when the letter was brought in with Senator Patterson's frank on it. He took the letter, opened it, and covered it up—put other papers on it.

Q. That is the last you saw of it?—A. Yes, sir.

Q. Do you know that Mr. Murphy ever received that letter?—A. I have no reason

to doubt it. It came in with a pile of letters to Mr. Murphy. There were seven, eight, or ten letters brought in, and he laid them upon the desk.

Q. Did you see the pile?—A. I did.

Q. Was this letter of Senator Patterson among them?—A. Yes, sir.

Q. How do you know?—A. I saw it.

Q. You saw it?—A. Yes, sir.

Q. With Mr. Patterson's frank?—A. Senator Patterson's frank on it.

Q. Had you seen that letter, or had an opportunity of seeing it, before it was sent?

—A. No, sir; I was in New York, and Senator Patterson was in Washington.

Q. All you know about the contents of the letter is what Senator Patterson has told you?—A. Yes, sir; what Senator Patterson has told me only.

Q. At the time you were weigher, how many men were there from other States holding positions in the custom-house?—A. I think there were four.

Q. Are you speaking of New Hampshire now, or all the States?—A. No, sir; other States outside of New York.

Q. Did the general policy seem to be then to people the custom-house with citizens of the State of New York? Did that seem to be the general rule?—A. I don't know as it was. That was talked among the employés of the custom-house.

Q. Were the appointments made chiefly from the city of New York?—A. I think a large proportion of them were that came within my knowledge.

By the CHAIRMAN:

Q. What were the duties of the clerk?—A. He makes up the books; copies the books from off the dock-books, where he can take the weight of the goods, and makes the return for the weigher to sign, to put into the custom-house.

Q. And the weigher merely signs the returns as made up by the clerk?—A. That's all, sir.

Q. What is the duty of the foreman?—A. The foreman has charge of the districts, to oversee the weighing and to take charge of the tools, and see that the men work, and do their work properly.

Q. Does he take charge of every gang of weighers?—A. Yes, sir; he has an oversight, and takes charge of them.

Q. I understood you to say that in some districts there were at work some ten gangs at a time?—A. Some eight or ten. Yes, sir; I have seen them.

Q. Can a foreman see to the weighing or the work of these eight or ten gangs?—A. He can oversee the work. They can use four or five—three or four gangs, and sometimes four or five gangs, on a pier. He can't be constantly with one gang all the time, but he can take a general overseeing of that.

Q. Can he see to the weight of all?—A. It would be impossible for him to see all the weights taken by the men.

Q. Is it necessary or important that the foreman should see to the weight of all?—A. Not if the man was capable and honest who took the weights; it is not.

Q. Then is there any person who is really responsible for the accuracy of the weights?—A. The accuracy of the weights, making up of the books, and all that, the clerk is responsible for, and the weigher that signs them. The taking of the weights is left to men that are not sworn officers, and left to men to do the work.

Q. I understood you the clerk does not take the weight?—A. No, sir; he makes up the books.

Q. What I want to ask you is, whether the foreman, who does see that the weight is taken correctly, can see the weight taken by eight or ten different gangs at the same time?—A. He can't see it all at the same time, but he can oversee the work, and see to—

Q. How will he know that it is accurate?—A. Well, it would be almost impossible for him to know.

Q. He couldn't, then, know whether it was accurate or not?—A. Not every weight. Not of his own knowledge, he couldn't; no.

Q. What does the weigher do in the mean time?—A. He has the charge of the foreman and the clerk; has the general charge.

Q. If the foreman is not able to return accurately, or see to the accurate return of the weights of eight or ten different squads of men in his district, how can this weigher see that the returns of the weight of all the gangs on the different piers in this city are made accurate?—A. Of six weighers, if the one weigher works and puts in 25,000,000, or 26,000,000, it is an impossibility for him or for his foreman to see to it; but if two other weighers will only put in 4,000,000 apiece, it is just as easy for them to put that in. He can't oversee the whole of it any more than he can the 26,000,000. It would be just as easy for him to take in the other amounts of 7,000,000 or 8,000,000 more as it is to put in that 26,000,000, and be just as accurate.

Q. Then, if you have the six weighers and six foremen, with all that force, would it be possible for them to see to all the weights of the merchandise?—A. No, sir. If you

should take and people the piers as thick as they could stand, it would be impossible then for them to have it all accurate; that is, if they were disposed to be dishonest.

Q. Would you recommend a change when you would be sure that that change would not cause accurate returns of weights to be made?—A. If a man—

Q. Answer my question. Would you recommend a change when you would be sure that that would not cause accurate returns of weights to be given?—A. I would recommend any change—

Q. Would you answer that question?—A. I will, sir.

Q. Well, sir, I will hear you.—A. I shall have to answer it in a rather roundabout way.

Q. I don't think you need go very far off.—A. Well, I would like to answer it in an intelligent way, and in a way that I can understand it after it is answered, as well as the committee. I should recommend any change that would decrease the expense to the Government, and that would be as accurate as it is now.

Q. That is the way you would answer that question?—A. Yes, sir.

Q. Did you weigh all the merchandise in your district that was landed by vessels from abroad—you, yourself?—A. No, sir.

Q. Did you see to the weighing of it?—A. No, sir.

Q. Did your foreman see to the weighing of it?—A. He was supposed to.

Q. How do you know that you made accurate returns?—A. I don't.

Q. You don't?—A. No, sir.

Q. Did you not swear to your returns?—A. No, sir.

Q. You did not?—A. No, sir.

Q. Were you not sworn to a faithful discharge of your duty?—A. Yes, sir.

Q. Could you discharge your duty faithfully without making an accurate return?—

A. To the best of my knowledge, returns were made correct, unless by mistake.

Q. Still you don't know that they were correct?—A. I never had any reason to doubt it, for I never heard anything to the contrary.

Q. You didn't see to it?—A. Not all of it; no, sir.

By Mr. BAYARD:

Q. I understand there is no custom-house weigher in the city who actually makes weight himself, is there?—A. I don't know of any.

By the CHAIRMAN:

Q. Did you make returns from the weights that were made by the city weighers?—A. No, sir.

Q. In no instance?—A. No, sir; none that I know of.

Q. Do you know whether your foreman returned you the weights made by city weighers?—A. I don't think he ever did.

Q. Have you any reason to suppose he did or did not?—A. I have every reason to suppose that he did not.

Q. Have you any reason to suppose that he would practice the same as the foremen in other districts?—A. I don't think he ever did that.

Q. Don't you think he would practice the same as the foremen in other districts?—A. If foremen in other districts practice it, I don't think he would practice it. I think he was an honest man.

Q. You don't think, then, that his practice was like the practice of the foremen in other districts?—A. I don't know; I don't know anything about the foremen in other districts practicing that.

By Mr. BAYARD:

Q. You were questioned very closely in regard to that letter which you wrote me, and which I have produced under circumstances of compulsion before you as a witness. I will ask you whether it occurred to you in writing that letter that I would be found strongly in favor of an active and thorough investigation into the abuses of the custom-house?—A. I supposed, from the nature of the circumstances and the formation of the committee, that you would.

Q. Was it therefore written to me with that view; that you would be apt to find in me a friend of active investigation into the custom-house abuses?—A. I, from the constitution of the committee, and what I have read and seen, thought perhaps that letter would receive from you attention quicker than it would from any other member of the committee.

Q. That was your opinion and your view?—A. That was my opinion and my view.

Q. Are you yourself in favor of an investigation and the reformation of abuses in the custom-house?—A. I am, and I am in favor, if there are any abuses in any department of the Government, as a republican, of having those corrected under a republican administration; and for that reason I think an investigation into the affairs of the custom-house here should be thorough, if we want to reach the bottom of the difficulty.

Q. Then you, I take it, are one of the great number of men in this country who are

not unwilling to avail themselves of the services and the aid of any earnest, honest man in assisting in the reformation of abuses, no matter what his party may be or his party name?—A. That is my position exactly.

Q. Was that the feeling that induced you to write that letter to me, which has been drawn before the committee?—A. Those are the reasons which I suggested.

Q. Had you any other?—A. I don't know whether I had, sir.

By Mr. CASSERLY :

Q. Senator Pratt questioned you at much length, in order to show that the moneys which you have spoken as frequently received by the weighers, outside of the law, for extra services, are not unreasonable. Do you understand, sir, that the guilt of an officer who receives unlawful money is measured by the amount of the money so much as it is by his breach of the law and the breach of his trust?—A. No, sir; I don't understand it so.

Q. You understand that his guilt is measured by his breach of his trust and breach of the law more than by the amount of the money?—A. Yes, sir.

By Mr. PRATT :

Q. I meant to have asked this one question that I omitted in its proper connection to ask you: whether the rendering to the merchant of these weights for which a perquisite is paid interferes with the discharge of his official duties by the weigher? I mean to say, is the time that he employs in taking off these weights generally carved out of that time which he owes to the United States, or is the work generally after night?—A. That, in some cases, would be done after night, and in some cases done in the day-time; but the taking of the perquisites, as I understand it, is in direct violation of the law of Congress.

By Mr. BAYARD :

Q. What sum of money was assessed to the poor clerk you have mentioned?—A. Ten dollars, I think.

Q. What was his pay?—A. His pay was 40 cents an hour. We allowed him full time, ten hours a day.

Q. Had there been other assessments made on him?—A. No, sir; he had only been in the custom-house a month or two, or two or three months.

Q. That sum was set down for him opposite his name?—A. Yes, sir.

Q. You say he was a poor man with a large family?—A. Yes, sir.

Q. You interceded at the custom-house, and had the assessment withdrawn?—A. Yes, sir.

Q. But after that would he have been compelled to pay it?—A. He would have been assessed the number—I have no reason to doubt that he would have been called upon for it.

By Mr. STEWART :

Q. Are you opposed to paying this; are you opposed to having the money used for political purposes?—A. I have not said that I was opposed to paying them.

Q. I understood that you paid yourself, under coercion. I infer from that that you are opposed to it; perhaps you didn't use that language.—A. I don't know that I have expressed my opinion.

Q. If my inference is wrong, I stand corrected. I thought most everybody was opposed to being coerced.—A. Well, some folks like to be in certain things.

Q. Since you made that remark, are you one of them that like that kind of coercion?—A. I don't like to pay out money unless I am willing to, whether it is for a political campaign or wherever it is.

Q. Now, you say you don't like that mode of raising money. Do you think money ought to be used in elections?—A. I think used legitimately, toward converting a wicked and adulterous generation, that money is absolutely necessary, but to use it in other ways, the way they use it here in New York, I don't think it ought to be raised.

Q. How about the way they use it up in New Hampshire?—A. In New Hampshire we use it for the good of the whole.

Q. Then it is proper to have the money used there the way you use it?—A. Used in a right direction.

Q. Then you are in favor of using it when it is used for the conversion of the wicked?—A. For the conversion of the wicked; yes, sir.

Q. Now, if you are in favor of using it, somebody's got to pay it, haven't they?—A. It has got to come from somewhere.

Q. Now, if we concede that it is to be used for the conversion of the wicked, don't you think that those who hold the offices ought to pay their part?—A. I think it is demoralizing in any government to undertake to force its employés to pay a certain share of their salaries for political purposes.

Q. I am not asking you that. If there is any force about it we all agree about it.

Mr. BAYARD. Do you?

Mr. STEWART. Yes, of course we do; certainly we are agreed. [To the witness.] But you think because a man is in office that he should be exempt; now there's a pretty strong pressure for office, ain't there?—A. I don't know; I don't want any.

Q. Ain't there plenty of candidates for all the offices?—A. I don't know anything about that. There's not anything of that kind in New Hampshire.

Q. It's hard to find anybody in New Hampshire that wants an office. You think if you would relieve a man from the burden of paying political assessments after he got an office, it would make an office better?—A. I think if a man can hold office untrammelled, and retain it by the faithful manner in which he discharges it, it is better than it is to put him in for political favoritism because he is a politician and controls a certain amount of power.

Q. Then you don't believe in letting the politicians have the offices?—A. I believe in letting honest men have them; if you can find them in politicians, let them have them.

Q. You don't find many among the politicians?—A. Not a great many now.

Q. That's the reason you object to paying political assessments?—A. I don't predicate it upon that ground.

Q. You think money ought to be raised to convert the wicked?—A. Yes, sir; to convert the wicked.

Q. But you think those ought to raise it who don't have the offices, and that they ought to be a favored class, and not raise the money to convert the wicked?—A. I think that it ought to be paid by those who are willing to pay it, and have the means.

Q. But you think that a man in office ought not to be willing to pay?—A. If he doesn't wish to pay, he ought not to be forced to.

Q. But a man outside and not having any of the emoluments of politics at all, if he is a common farmer and works for his living he ought to be willing; and if a man has a fat office he ought not to be willing. Is that the way it stands?—A. I don't make any such statement as that.

At 10.20 p. m., adjourned to 10 a. m. Tuesday, February 6.

FIFTH AVENUE HOTEL, NEW YORK, *February 6—10 a. m.*

The committee met pursuant to adjournment.

The clerk read the following affidavits:

"STATE OF NEW YORK,

"*City and County of New York, ss:*

"Charles Cumberson, of 93 South Sixth street, Brooklyn, being duly sworn, deposeth and saith that he is an inspector of customs, lately appointed as such, and detailed, in connection with William O. Cloyes, to the ship Princeton, of Liverpool, in December, 1871, for the purpose of discharging the same, and was on board during the whole time the cargo was being discharged. The coal was discharged in custom-house tubs, under his inspection, and faithfully tallied by Charles Du Moulin, acting in the interest of the Government, under James M. Thompson. Saw Mr. Rogers and Mr. Benedict on board at various times; never heard William O. Cloyes ask either of them for coal; thinks he would have heard it if any such conversation had taken place; and, therefore, believes Inspector Cloyes entirely innocent of the charge preferred against him by Messrs. Rogers and Benedict.

"C. CUMBERSON.

"Sworn before me this 5th day of February, 1872.

[SEAL.]

"WILLIAM M. BRACKET,

"*Notary Public, New York.*

"CITY AND COUNTY OF NEW YORK, *February 5, 1872:*

"William Shaw, of the city and county of New York, being duly sworn, deposeth and says that he was the stevedore that discharged the ship Princeton, from Liverpool, in December last; is the person mentioned in the affidavit of John J. Ward; that no such conversation or language took place in his hearing between Inspector Cloyes and John J. Ward as alleged in his (Ward's) affidavit, and at no time did the inspector ask him to stop work on coal and discharge other goods; that the coal was between decks, and no other cargo was discharged until all the coal was out; that both lots of coal were duly delivered; and deponent further says that he believes that each party got all the coal that was invoiced to them; and that to the best of his belief the inspector, William O. Cloyes, performed his duties faithfully.

"WILLIAM SHAW.

"Sworn to before me this 5th day of February, 1872.

[SEAL.]

"BERNARD C. RYDER,

"*Notary Public, New York County.*

"CITY AND COUNTY OF NEW YORK, ss:

"Charles J. Fox, being duly sworn, deposes and says that he has read the letter and affidavits of Mr. Rogers, of Eddy & Rogers; that he is the person referred to as hearing the conversation between the said inspector, W. O. Cloyes, and the said Rogres. And he further says that no such conversation did take place in his presence. And that he never did hear the said inspector, W. O. Cloyes, ask Mr. Rogers or any other person for coal; and that the inspector did not have anything to do with the weighing of the coal, that being the duty of the United States weigher.

"C. J. FOX.

"Sworn to and subscribed before me this 5th day of February, 1872.

[SEAL.]

"PETER J. RYAN,

"Notary Public, New York County."

The following communication was also read by the clerk:

"No. 51 WILLIAM STREET,

"New York, February 3, 1872.

"SIR: The testimony of Mr. Hopper, taken before you on Thursday, contains statements injurious to us, which we wish to correct. He is represented as saying that at different times Mr. Hartley, of our firm, called at the store of Kessler & Co., offering to procure for them a refund of duties; that after an unsuccessful correspondence with the Treasury Department and repeated calls at the custom-house, (where he alleges the money was to be paid,) Kessler & Co. were compelled to employ us, the delay being made by the customs officers until we were retained.

"The facts are that on February 7, 1871, Kessler & Co. authorized us by letter to collect a claim for \$61.97, currency, then long pending, at the Comptroller's Office, in Washington. None of our firm called on Kessler & Co. at their store or elsewhere, but some one representing them once called at our office. The claim was not for the refund of duties nor in any way under the control of the custom-house, but was payable at Washington by draft sent directly to the parties. On the 27th of February last, having received their draft from the Treasury, Kessler & Co. remitted us \$10 for our services, which were simply those of attorneys making an ordinary collection.

"Very respectfully, your obedient servants,

"CHASE, HARTLEY & COLEMAN.

"Hon. WILLIAM A. BUCKINGHAM,

"Chairman of the Senate Investigating Committee."

The examination of the witness, W. T. PERKINS, was resumed.

By Mr. HOWE:

Question. I understood you to say that at the time you were appointed a weigher in the custom-house you were a merchant in Dover, New Hampshire?—Answer. Yes, sir.

Q. What class of merchandise were you dealing in?—A. Corn, flour, and groceries.

Q. How long had you been engaged in that business?—A. For several years.

Q. Do you remember about how many?—A. No, sir; I don't.

Q. You couldn't give an opinion as to the number of years?—A. I should think five or six.

Q. Have you an idea as to the amount of business you did annually?—A. I have not, sir.

Q. What disposition did you make of your stock on hand when you received this appointment?—A. Sold it out.

Q. Who was your purchaser?—A. It was to a Union store or a Crispin store—co-operative; a Crispin store, I think, they called it.

Q. Do you remember what was the amount of that sale?—A. No, sir; I don't. I could tell at home, but I couldn't say here.

Q. Where was your market for purchasing goods—groceries—in Boston or New York, or where?—A. It was all around—Chicago, Toledo, Boston; some in New York.

Q. Did you purchase goods in Chicago?—A. Yes, sir.

Q. What kind of goods?—A. Flour.

Q. You purchased provisions in the West?—A. No provisions; I purchased corn.

Q. Was your mercantile adventure a successful one or unsuccessful?—A. Well, it was—I sold out and came here at whatever my goods cost; I made nothing particular on it.

Q. Made nothing in particular?—A. No, sir.

Q. But sold out at cost?—A. Yes, sir; what the goods cost in the store.

Q. And have you paid for the goods?—A. Yes, sir.

Q. You are not indebted then?—A. No, sir; not for the goods.

Q. Not for any of your purchases?—A. I am indebted for some purchases that were made some five or six years ago, that are in litigation. There is a matter of difference

between—it is in the supreme court of the State of New Hampshire now. Those are all the goods, but that were paid for and settled for.

Q. Where is that alleged indebtedness? Who are those creditors?—A. One firm is in New York; the other firm is in Cleveland, Ohio.

Q. Since you left the custom-house have you been West?—A. No, sir.

Q. Haven't you been West at all?—A. No, sir; no further west than Dover, New Hampshire—no further west than New York, I would say. This is the farthest I have been west since I left the custom-house.

Q. You have been examined at great length on one point to which I wish to call your attention once more. I don't understand why you think that six weighers could do the business for this port, and that one could not do it. Now, can you explain that a little more clearly than you have done?—A. I think that under the arrangement Mr. Jayne spoke of yesterday, by having one superintendent and these men under him, that it could be done in that way. I think that with six weighers I should prefer the manner that goods are weighed now to that. I think that six weighers, with their foreman and clerk, and the men that the weighers would select—good, careful men—that there would be no trouble at all in their weighing the goods that come into the port, but it would be impossible for one man to take personal cognizance, or even for the six men to, of all the weighing, as much so as it would be for the collector to take cognizance of all that was done under him.

Q. Now what does the weigher do?—A. The weigher has charge of the districts, and has charge of the foremen and all of the weighing, and signs all the returns that go into the custom-house, puts in the pay-roll of the men that labor under him; that is all that comes under his jurisdiction that I know of.

Q. Then really all he does is to sign the pay-rolls and the returns for his district?—A. That is really all the manual labor that he performs.

Q. Now what are the number of returns made in the port of New York?—A. I haven't the least idea.

Q. Can you tell whether there are 1,000 or 1,000,000?—A. I couldn't tell anything about it.

Q. You couldn't, eh?—A. No, sir.

Q. The pay-rolls are made monthly, are they not?—A. Once a week.

Q. Once a week?—A. Yes, sir; for the men.

Q. Then there are fifty-two of those?—A. Fifty-two of those; yes, sir.

Q. Who prepares the pay-rolls?—A. The pay-rolls are prepared by the clerk of the weigher. He puts the men's names down and the men sign their names.

Q. The labor of signing the pay-rolls is not very great?—A. The labor for the weigher is—all he has to do is sign his name and to swear to the pay-roll and put it into the custom-house.

Q. Now, practically, who selects the gangs, as you call them? Who employs the men who do the work of weighing?—A. Well, I should think in a majority of cases they were selected by the weighers; sometimes the foreman of the weigher has the selection of them if he has a good man that he can depend upon.

Q. The weighing, you tell me, is done by these hour-men—men who are employed by the hour?—A. Yes, sir.

Q. And the account of that weighing is also kept by a man employed by the hour?—A. Yes, sir.

Q. What is that individual called who takes down the weight of the different parcels?—A. I designate him as the "booker" who takes them down. He attends the beam and takes down the weight to each draught, and puts them in a book called the dock-book.

Q. And the clerk transcribes those entries into another book?—A. Yes, sir; into another book.

Q. And makes out the return which the weigher —A. Yes, sir; that book and the returns are filed in the custom-house, and the dock-book that the broker takes down the weights in is kept in the weigher's office in his district—the original.

Q. How much writing does one of those returns ordinarily embrace?—A. The blanks, the most of them, the majority of them, are about two-thirds the size of one of those half sheets, [legal-cap;] some larger, for a larger cargo; when they put in a large amount into one return they are longer than that; they would be, perhaps, a foot long—the blanks that are furnished at the custom-house.

Q. Do you think there would be any additional security to the Government if, instead of reducing the number of weighers, the Government should increase the number of weighers, so as to have one at least able to see and know the accuracy of every article weighed?—A. That would be impossible, for one man to see it of his own individual knowledge.

Q. It would be possible if there were men enough, wouldn't it?—A. Well, it would be possible if a man could stand at the beam all the time, but then it wouldn't be any more accurate for a weigher to stand there than it would for another man that is not a weigher, if the other man is equally as honest as the weigher.

Q. Now, that simply raises the question whether you think that it would be any additional security in having these weights verified by a sworn weigher over that of having it seen by one of these men who are employed by the hour?—A. They are; and for that reason I would have the men that take the weight sworn, the one that performs it, the broker, the one who attends the scale; I would have him sworn.

Q. You would have him sworn?—A. Yes, sir.

Q. But you would still have him a man employed by the hour?—A. It would be a saving to the Government, and just as well, if he was an honest man.

Q. Have you always been of the opinion—have you never been of the opinion that the number of weighers ought not to be reduced?—A. I never have that I know of, or never have expressed an opinion of that kind that I know of—not since I—

Q. Did you or did you not write to Senator Patterson remonstrating against the reduction of the weighers?—A. I have no recollection of ever writing him such a letter.

Q. Would you venture to say that you did not?—A. I would venture to say that my impression was that I did not. If I ever did write any such letter, it was—my opinion is now changed from what it was then. I don't think I ever wrote any such letter. We are all liable to change our opinions.

Q. Yes; I know we are. Now, you have told us of the assessments made on you while you were in the custom-house. I understand you to say that you paid from \$250 to \$275 in the aggregate, and I also understand you to say that \$25 of that amount was raised for the benefit of the Connecticut republicans?—A. I think so.

Q. That \$50 of it was contributed to the campaign fund in New York of 1870.—A. Eighteen hundred and seventy.

Q. And \$50 to the campaign fund of 1869?—A.—Eighteen hundred and sixty-nine. There was, I think, \$50. They had an election here for justices of the court of appeals; it came along in May, I think, and there was an assessment then of \$50; that made two in one year.

Q. May of what year?—A. May of 1870; I think so—whenever the new constitution was submitted to the people.

Q. What other assessments were made?—A. I don't recollect. I was looking at a memorandum I had home before I came, and I think it is \$250 to \$275 that I had charged out to the expenses that went to pay for the political assessments in the custom-house.

Q. But you don't remember on what occasion any other sums were raised?—A. I don't recollect; I couldn't state definitely as to that.

Q. You are positive that \$50 of it was contributed to this election of judges?—A. I think so, sir; in the spring; May, I think it was; that's my impression now.

Q. Did I understand you that you did or did not contribute anything to political purposes in New Hampshire during this time when you were in the custom-house?—A. I did, but not through the custom-house.

Q. You did?—A. Yes, sir; not through the custom-house, but when I was home I contributed there for our local State election, privately, while I was there.

Q. More than once?—A. I do every year; I did every year I was in; I always have, for the last seven or eight years.

Q. Do you remember any sums that you contributed while you were in the custom-house?—A. Do you mean if I contributed here in the custom-house to be carried to New Hampshire?

Q. No, I beg your pardon; any sums that you contributed to the political purposes in New Hampshire while you were in the custom-house?—A. Yes, sir; a year ago last spring over \$50.

Q. What was the date of that receipt? I didn't get it.—A. October 4, 1870.

Q. In the spring of 1870 you contributed over \$50 in New Hampshire?—A. In March; yes, sir; our March election.

Q. Was that receipt given to you at the time you paid the money?—A. Yes, sir; it was given the day I paid it.

Q. Do you remember any sums that you contributed in New Hampshire?—A. I don't recollect any, sir; if they came and asked me for any, I generally gave it to them.

Q. While you were employed in the custom-house, did you or did you not receive circular letters from the State committee of New Hampshire, calling on you to contribute to the expenses of their political work?—A. I received one from Mr. Prescott, secretary of the committee.

Q. But one?—A. Only one while I was in the custom-house. I received one the other day from him.

Q. How, sir?—A. I only received one while I was in the custom-house. I received one the other day from them.

Q. You said you got all the receipts for moneys that you could get, which was but one?—A. Yes, sir.

Q. Did you ask for receipts at other times which were refused you?—A. I did.

Q. Of whom?—A. I asked, I think it was Mr. Abell—I think that's the gentleman's

name. It was in the surveyor's office at one time. I paid him \$50. I asked him for a receipt and he said that he was not authorized by the surveyor to give any receipt for money paid in that way.

Q. Didn't give you one?—A. No, sir; but he marked—my name was on a paper and he marked it paid.

Q. What Abell was this?—A. I couldn't tell you, sir. I think it was Mr. Abell that was in the surveyor's office.

Q. Is he there now; do you know?—A. I don't know; he was when I left.

Q. What was his position in the surveyor's office?—A. There was three of them; I think this one was a telegraph operator in the surveyor's office.

Q. Do you remember when it was that you asked for that?—A. I don't; I asked him when I paid him the \$50.

Q. Don't you remember when it was that you paid him the \$50?—A. I couldn't say no, sir.

Q. Was it before or after this receipt was given?—A. I couldn't state that; I recollect distinctly of paying him the money, but I couldn't state whether it was before or after this.

Q. Do you recollect distinctly that you asked him for a receipt?—A. Yes, sir, I did.

Q. And that he declined to give it?—A. Yes, sir; he had no authority to do it, he said.

Q. Do you remember of any other instance in which you asked for a receipt which was refused?—A. I can't call to mind any other instance now.

By Mr. PRATT:

Q. Mr. Perkins, I omitted to ask you one or two questions. You stated to the committee last evening that you drew by lot at one time a district which, as I understood was not as satisfactory a district to you, and that other times you were assigned to districts that were not satisfactory, or, I believe, as you termed them, poor districts. Now, I failed to inquire and learn of you this fact, whether the objections to those districts in your mind were because the labor was disproportionate to the labor in other districts, or because the perquisites, as you termed them, were not as good as in other districts?—A. My objections were principally on the ground of the districts; they were disagreeable, hard districts to work and carry on.

Q. They had no reference to the fact, then, that they were not rich in perquisites?—A. Not when I speak of them as poor districts.

Q. Not that?—A. No, sir.

Q. Did I understand that you were opposed to the system of receiving perquisites for the extra work you have described?—A. Well, you understood me as saying it was in violation of the law, and as an officer of the Government I should be opposed to anything that violates the law.

Q. Then, had you been appointed to a district where it was common to give and receive perquisites for extra labor, I understand you would not have received them?—A. I don't know; I am human. I can't tell what I should have done under such a state of circumstances.

Q. Do weighers give bonds to the United States?—A. No, sir.

Q. You have expressed the opinion that the present system could be improved by reducing the number of weighers from eighteen to six. Will you state, now, what is the number of piers on both rivers on which goods are weighed?—A. I think that the number of piers on which goods are weighed on the East River runs up to 54; on the North River to about 50; in Brooklyn I don't know how many.

Q. What objection would there be to appointing a weigher to each pier, whose duty it should be to personally superintend the taking of weights?—A. There would be, at the present salary of the weighers, a very great expense to the Government.

Q. Is that the only objection that occurs to you?—A. That is the only objection that would present itself to my mind.

Q. If that system were adopted would it dispense with the necessity of a foreman?—A. No, sir; there would have to be a foreman and clerk. It would be impossible for the weigher to take weights and take charge of the tools and everything and to make up his books.

Q. There would have to be the same number of subordinates as now?—A. There would have to be laborers, yes, sir, to do the work.

Q. But the Government, on the other hand, would have the benefit of the immediate supervision of the weigher?—A. Yes, sir; the same as they have the benefit of the immediate supervision of the laborer that is a sworn officer of the Government.

Q. Would the weigher's duties under that arrangement be less onerous than they are now?—A. I think they would be a great deal more, sir.

Q. So you think the weigher, if one were appointed to each pier, should still have the same compensation as now?—A. If I was going to be appointed, I should like to have the same as they have now.

By Mr. BAYARD :

Q. There was a question put to you in regard to a matter that I should not have presumed to inquire of, but, as you have already answered it, there will be no further inquisition into your private affairs connected with the custom-house. You were asked about circular letters from your political friends in New Hampshire sent to you ; did any of those circular letters undertake to fix the amounts that were to be paid, or, where political subscriptions were suggested in New Hampshire, was it or not left to your option what amount you were to pay, and whether any at all?—A. The letter I received from Mr. Prescott, the secretary of the State central committee, was a printed blank, soliciting the subscription, leaving the amount that I was to contribute in blank for me to insert and send to the treasurer of the committee whatever I saw fit.

Q. That was very different in character, then, from the custom-house assessment?—A. Yes, sir ; in that respect.

Q. In point of truth, was there any assessment at all assessed you in New Hampshire?—A. No. I was simply asked to give whatever I saw fit.

Q. A suggestion that you might contribute if you saw fit. I understand you the suggestion from the custom-house was that you contribute a sum certain, which they ascertained for you in advance.—A. Yes, sir. I have been a member of the State central committee of New Hampshire, up to within a year or two, for a number of years, and have always contributed what I thought was my share toward the carrying on of the campaign.

Q. Did any presume ever to dictate to you what sum you were to pay?—A. No, sir ; never.

Q. As I understand the difference in custom-house matters, they assessed you without any consultation with yourself or your convenience, and told you that that was the amount to be paid.—A. And New Hampshire was begging for anything they could get.

Q. What was the rule in New York to take of those they ordered?—A. More than they ought to get, I think, sometimes.

Q. I said all that they ordered you to pay ; that was the option given you?—A. O, yes.

By Mr. HOWE :

Q. Do you say that you were ordered to pay a specific sum in the custom-house?—A. A specific sum was assessed—2 per cent. on the salary ; my salary was \$2,500, and the assessment \$50.

Q. How were you notified of that assessment?—A. I was notified of that at one time by—I think I went into Mr. Abell's office. My name was down with other weighers on the paper, or in the book, with \$50 set down opposite my name, and I went in there and saw my name with that marked down, and took and paid it. At other times a paper is brought around, headed by some different individuals in each division, and it is brought to you with their names, and the amount down, and handed to you to put your name and the amount you will give down.

Q. How do you say this paper is? The first paper you spoke of, you say was a paper drawn with your name attached to it and \$50—?—A. Set down opposite my name.

Q. What was written on that paper?—A. I couldn't tell you, sir, what the heading of it was.

Q. Who brought it to you?—A. It was not brought to me, it was in the surveyor's office. I was sent—I was in the corridor of the custom-house, and some one came to me, and told me that the surveyor wanted to see me—pointed to this room. I went into the room, and saw this Mr. Abell, with a pile of money down in front of him, with this paper, and my name there. I knew what it was, of course, and I handed him out the money to pay it.

Q. You didn't see the surveyor?—A. I didn't see the surveyor ; no, sir. This was his transaction. I think that at that time the surveyor was chairman of the State central committee of New York.

Q. Mr. Abell had the paper?—A. Yes, sir.

Q. And it was a paper on which your name was entered?—A. Yes, sir.

Q. And \$50 was entered opposite your name?—A. That is my recollection of it now ; yes, sir.

Q. But what the paper said beyond that, you didn't know?—A. I never scanned the paper ; they are all very nearly the same amount—something that we agree to pay ; the sum set against our names for political purposes—but I didn't take pains to read the paper, nor I couldn't tell you what the reading was on it.

Q. You either know what was on it or you don't. Now, which is it?—A. Exactly, I have been telling you that I don't.

Q. Now, what about this agreeing to pay the sum set opposite your name?—A. I say that the papers generally were of that kind.

Q. Was that of that kind?—A. I have no reason to doubt it. I didn't take particular notice to read every word of it, but I have no reason to doubt, and I believe that the

paper was of that kind. I believe it from what I saw of it and from all the circumstances surrounding it—everything.

Q. I will take your belief if you will just give me the ground of that belief. If you read it, that is one reason for believing it. If you didn't read it, but read other papers, that is another ground. What was the fact?—A. The fact is, I just scanned that over, and I didn't read it all through, every word of it, but I took it for granted, and knew in my own mind, and had no occasion to read clear through.

Q. Did you read any part of it?—A. I tell you I think I glanced at it, whether you would call it reading or what. I glanced at that paper before me, but I didn't read it at all, and I don't know a word that was on it.

Q. Did you glance at that so as to read any part of it?—A. I glanced at it the same as I glance at that paper. I have no doubt but that gentleman's taking down my testimony. I have not the least doubt of it, still I am not reading every word that he takes, and couldn't if I wanted to, I presume.

Q. Did you read anything that was on that?—A. Yes, sir. I read my name.

Q. Did you read anything beyond that?—A. Yes, sir; I saw the weigher's names on as I looked down to see my name. My name would come down about—

Q. Did you read any part of the heading of the paper?—A. I only glanced at it. I couldn't swear that I read it at all; I wouldn't swear so.

Q. Then, because you saw your name attached to a paper with \$50 written opposite it, you forked over \$50?—A. Because I saw my name and was told what the—the weighers were talking of it, and they were talking of it that it was time, and they had got to pay this assessment. We knew that very well, and there had been talk among them; and these gentlemen asked me—told me that the surveyor wanted to see me in there. He had just been in, and I guess he was putting in his pocket-book into his pocket at the time. I was standing within as far as from here to that door of the surveyor's office when he spoke to me; had just come out from there. I was going toward the deputy surveyor's office at the time, and met him.

Q. There had been talk, then, of paying the assessment?—A. Yes, sir; we knew we had got to pay it, and calculated on that when we drew our month's salary—that it would take so much of it for the assesment; we understood that very well.

Q. How had you come to know that?—A. We come to know it from the general conversation, and from the fact that there was to be an election, and from the fact that at that time we had had to pay the year before; that, while I had been in, had always had to do it. When there was an election come round, we had to fork over.

Q. You say you did so the year before this?—A. Yes, sir.

Q. Then this was in what year?—A. I think this was in 1870, some time, but I could not tell you positively. I recollect paying one time when Mr. Grinnell was collector in the weigher's room. I couldn't tell you what year it was, nor what time; I am only giving you my impression as to this time.

Q. You know you had paid it the year before?—A. Yes, sir; I paid—I know I paid when Mr. Grinnell was collector once.

Q. You paid the year before you were called into Mr. Abell's, you say?—A. I think it was the year before, but still I wouldn't swear at the time I did pay in to Mr. Abell. I couldn't do it conscientiously, to swear when it was paid in there.

Q. But I asked you what made you think you were assessed \$50, and you said because an election was coming on, and you had been called to pay it the year before.—A. I say I had paid before that, whether it was the year before or not; I had paid assessments before I paid that to Mr. Abell in the custom-house. I wouldn't designate the time, for I couldn't do it.

Q. Then the reason why you knew you were assessed \$50 was because you had before been assessed and because you knew an election was coming on?—A. And the general talk that they had paid—and I know it as well as I know anything about the custom-house—the general talk and rumor; and it was known all through the custom-house. It was not a matter of blindness on my part.

Mr. CASSERLY. A little louder, if you please, Mr. Perkins.

The WITNESS. It was not a matter of blindness, my going in there and paying the money.

Mr. HOWE. No; I don't think that it was, but it don't seem, as near as I can get at it, to be actually a matter of sight; however, that was the way you paid over to Mr. Abell; that is the time you got this receipt?—A. No, sir.

Q. That was not the time?—A. No, sir; I got this receipt another time; whether it before or after I paid Mr. Abell, I can't say.

Q. You got the receipt in October, 1870?—A. Yes, sir.

Q. You left the custom-house in May; when?—A. On the 17th day of May, 1871.

Q. Did you contribute any \$50 between October, 1870, and May, 1871, to anybody for political purposes?—A. I contributed \$25, I think, on the 31st day of March, 1871.

Q. Any \$50?—A. What do you say?

Q. Did you contribute any \$50?—A. I don't recollect of any now, sir.

Q. It was \$50 that you paid to Mr. Abell?—A. I think it was \$50. I am very positive it was.

Q. Then it was not the \$25?—A. No, sir; the \$25 I paid to Mr. Griswold.

Q. You paid that to Mr. Griswold?—A. Yes, sir.

Q. Now, when you paid these \$50, for which you got a receipt, that was paid to Mr. Griswold, wasn't it?—A. Yes, sir.

Q. Did you pay that in the same way; did you find your name there?—A. No, sir.

Q. Attached to a piece of paper?—A. No, sir; whether Mr. Griswold or who brought the paper to me I don't know, but it was brought with about all the weighers' names on it with \$50, and it was brought to me for me to put my name down, previous to paying it, along the latter part of the month, which would be in September. I think there were—and the 4th of October I was sick, I think, or something that I didn't happen to be at the custom-house the first two or three days. If I had I should have paid it when we got paid off, the 1st of the month. I didn't see Mr. Griswold until the 4th of October, and then he brought this paper and told me that he wanted mine, which was \$50. I took and paid him, and he marked it paid on the paper against my name and gave me a receipt.

Q. He wanted yours, which was \$50?—A. Yes, sir. I had put my name down on the paper, as I told you before, for that amount.

Q. O, then, you had subscribed to a paper which promised to pay \$50?—A. Yes, sir.

Q. You put your name on the paper?—A. Yes, I did.

Q. Did you put the sum on?—A. I did.

Q. How does that differ from the contribution you made in New Hampshire?—A. That differs considerably. If in New Hampshire I saw a certain officer of a certain class of men with a list, and they came with those men all the certain sum put against their names, and I was told that they wanted me to put my name down to that sum, and I should put it down, that would be entirely different for them to ask me what I would give, and I would put my name down and put my hand in my pocket and give what I saw fit, if anything.

Q. In New Hampshire they ask you to make a contribution, and you give what you see fit?—A. Yes, sir.

Q. Mr. Griswold, or somebody else in the custom-house, brought a paper to you for you to subscribe your name to and the sum which you would pay? You did subscribe your name and put the sum?—A. They brought the paper to me. I don't know as Mr. Griswold brought it to me; some one brought it to me, with the other names down, and told me that they wanted me to put my name down for my amount; the weighers had paid \$50 each.

Q. The weighers did pay \$50 each?—A. Yes, sir.

Q. Had you any order from any one to sign \$50?—A. No, sir.

Q. You put the sum down there yourself, did you?—A. Yes, sir.

Q. Just as deliberately and as independently as you put the sum down which you sent to New Hampshire, did you not?—A. Well, I put it down. I don't know but I put it down as deliberately as I did to New Hampshire.

Q. You don't know but that you did as deliberately?—A. I don't know but that I did; I didn't hesitate or tremble much about putting it down; they showed me what my proportion was to give, and I put it down.

Q. Well, to get rid of the machinery of this thing, Mr. Perkins, the point on which I want your testimony is whether you mean to swear here that you paid that \$50—each of these sums—not voluntarily, but upon the compulsion of the custom-house officers?—A. I mean to swear that I did not pay those sums of my own motion. That is what I mean to swear to.

Q. But upon compulsion. Do you mean to swear that?—A. I don't know as you can term it compulsion in the manner that I have indicated.

Q. Well, upon coercion; do you mean to say that?—A. I should call it a mild form of coercion.

Q. A mild form of coercion?—A. I should call it so.

Q. Do you mean to say that you believe if you had refused to pay the \$50 you would have been removed from office?—A. I haven't any doubt of it.

Q. If you had paid \$45, and not \$50, would you have been removed from office?—A. I can't say as to that; no, sir; I shouldn't say that at all.

Q. If you put \$25 down, instead of \$50, would you have been removed from your office?—A. If I hadn't paid anything I think I should have been removed.

Q. If you hadn't paid \$1, you think you would have been removed?—A. I think if I hadn't paid anything I should have been removed; I have no doubt of it.

Q. But you don't think you would have been removed if you paid \$25?—A. I can't say as to that; that would be a matter of conjecture.

Q. Haven't you as distinct an opinion of that as you have about the other matter?—A. No, sir; I have not.

Q. Then you have no opinion?—A. I haven't any opinion as to that.

Q. Have you any opinion as to whether you would have been removed if you had paid the \$45?—A. I haven't any opinion settled as to that.

Q. You haven't settled down upon that?—A. Not any that I want to express any way in that direction.

By Mr. CASSERLY :

Q. In speaking of payments made for political purposes in New Hampshire, did you speak of payments made by you while you were a private citizen there?—A. I spoke of payments while I was a private citizen and while I was in the custom-house.

Q. Those that you made as a private citizen?—A. All the payments that I made in New Hampshire I made as a private citizen.

Q. Of course you made those as a matter of perfectly free will?—A. Yes, sir.

Q. And you could be under no alarm, or apprehension even, as to consequences, whether you paid or did not pay?—A. Not in the least.

Q. I have understood you to say that you were not very eager, not very desirous of paying the moneys which you did pay into the New York custom-house?—A. No, sir.

Q. But that under the circumstances you considered the intimation, or the request, as the case might be, made to you, as tantamount to a command?—A. Yes, sir.

By Mr. HOWE :

Q. I omitted to ask you one question : do you or do you not know that the republicans of Dover remonstrated against your appointment in the custom-house?—A. I know to the contrary of that.

Q. You know to the contrary?—A. Yes, sir.

Q. No complaint was made?—A. From the fact that no Dover people knew that I was appointed until after I was appointed.

Q. But they didn't complain of it after your appointment?—A. No, sir; one or two individuals, enemies of mine, may have complained. I have enjoyed the highest honors that the people of my ward could confer upon me, and I have no reason to believe that I have ever lost their confidence yet.

Q. What were those honors?—A. I have been a member of the city council of Dover, a member of the legislature, and a member of the State central committee.

Q. When were you a member of the city council?—A. I was a member of the city council of Dover in the year 1865.

Q. When of the legislature?—A. I was a member of the legislature in the years 1866 and 1867. I was a member of the State central committee for the years 1866, 1867, 1868, and 1869, I think. I always ran ahead of my ticket when I ran for office, too.

By Mr. CASSERLY :

Q. There are a good many republicans in Dover, are there not?—A. I think about 1,500 voters.

Q. Of the republican party?—A. I think there are about 1,000 of the republican party—that's my impression now—or 1,200.

Q. Now, you have had some experience in politics, haven't you?—A. Yes, sir.

Q. Would you regard it as very wonderful if, out of the 1,000 republicans, some might be found that were dissatisfied with your appointment?—A. I should not, for I don't wonder that they are. I never started in for a thing but what I carried it in my party while I was in Dover.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872.*

WILLIAM HUNTER sworn and examined.

By the CHAIRMAN :

Question. What is your occupation?—Answer. I am an officer in the Western Union Telegraph Company.

Q. It is said that you have some knowledge of the importation of a lot of wire by Tillotson, and also payments which have been made to keep that wire, or other goods, out of general order; will you make a statement in reference to those matters, if you have any knowledge, sir?—A. We have been importing wire for about three years.

Q. You may go on and make any statement you please in reference to it.—A. We haven't had much trouble in having wire go under general order. We have it arranged by the shippers to send us two invoices, original and duplicate, so that, if one fails, we generally get the other in time to make the entry before the forty-eight hours expire. We have failed once or twice to get them in time. In 1870 we had a portion of cargo go under general order from the Cunard dock, and last fall we had a small lot of 156 bundles go under general order in September. I believe those were the only two lots that ever went under general order.

Q. What have you been in the habit of giving, in the way of perquisites, to keep

your wire from going under general order?—A. We paid nothing to any inspector during 1871. During 1870 I find \$10 paid to an inspector.

Q. From what ship?—A. I can't tell what ship.

Q. Do you know the name of the inspector?—A. No, sir; I don't know that he was an inspector. I have the impression that his name was Wood. He was on pier 47; though I don't state positively that his name was Wood; I don't know that it was; I don't know that he was an inspector there or not.

Q. To whom have you been in the habit of paying money in the year 1871?—A. To weighers.

Q. How much have you paid them?—A. I find we paid \$60 during 1871.

Q. For what was the gratuity given?—A. To facilitate our getting the wire immediately.

Q. How?—A. To facilitate our getting the wire immediately on arrival, or as fast as it could be weighed and carted away.

Q. What service did the weighers render you, different from their ordinary duties?—A. I don't know that they did any more than their duty after I paid them, but they weighed the wire as fast as we could haul it away, whether it had been on the dock six hours or twelve. They would weigh it for us as fast as we could take it away. We have sometimes had a good deal of trouble in getting our wire.

Q. In doing this do you regard it as extra service which they rendered to you?—A. It was an accommodation; yes, sir. You might perhaps call it extra service. I don't know, however, about that.

Q. Was it an accommodation because it facilitated your business?—A. Yes, sir.

Q. Will you tell me who the weighers were?—A. I don't know their names at all; I never inquired the names.

Q. From what ship was the wire landed?—A. During 1871 mostly from the Inman line.

Q. Do you recollect at what dates?—A. No, sir.

Q. Is this a common practice, so far as you know, of weighers for such aid?—A. It is done; I don't know how common it is, but I know it is done.

Q. Were there any other instances which you recollect in which you have paid money for extra services—special services?—A. I don't know whether we paid anything in 1869 or not. I didn't look to see; I only looked at 1870 and 1871.

Q. Can't you give us some idea, or something definite, in regard to the names of those weighers?—A. I never knew the names of any one of them. I never inquired the names.

Q. Can't you name some vessel and the time at which you discharged and paid this money?—A. I could furnish the names of all the different lots, and the date of arrival at my office.

Q. The date of what?—A. The dates of arrival of steamers; the steamer's name, and about the date of arrival; the amount of wire received, &c.

Q. Suppose you should do that, and send in such a paper here, if you please?—A. I will, sir.

By Mr. PRATT:

Q. In relation to the \$10 paid Mr. Wood, to prevent your goods going under general order, was not Mr. Wood, the dock-clerk, appointed by the ship?—A. I said that I was not positive that it was Mr. Wood, and was not positive whether he was the inspector or what he was.

Q. May it not have been the dock-clerk?—A. It may have been the dock-clerk. I don't know that his name was Wood, and I don't know that he was an inspector, or what he was.

Q. Now, as to the money paid to the weighers, I understand you paid in 1871, in the aggregate, \$60?—A. Yes, sir.

Q. What was the amount of the perquisites paid in each case?—A. Twenty-five dollars.

Q. When you speak of those perquisites as given in order to facilitate your getting your wire immediately, are the committee to understand that in consequence of that gratuity the weighers gave you a preference—gave your goods a preference over others that were entitled to be weighed in advance of yours?—A. I don't know about that, sir; they weighed our goods usually as fast as we could take them away.

Q. Did they neglect other goods, dutiable goods, entitled to be weighed?—A. I don't know about that, sir. I wasn't on the dock. I don't think I ever went to pier 45 at all; and I think I never was on pier 47 more than once.

Q. From whom did you get your information as to the circumstances under which these gratuities were paid?—A. Our carman.

Q. Your carman?—A. Yes, sir.

Q. The money was paid through him?—A. No, sir.

Q. He made the arrangement?—A. He made the arrangement, and the weigher came

to my office, or the man who represented himself to be a weigher, identified by the carman as being the man to whom he had spoken about it, and I would pay him.

Q. To how many different persons did you pay these gratuities during the year 1871?—A. I think, perhaps, three.

Q. Did those weighers furnish you the weight?—A. No, sir; not except in special cases; one or two cases where I wanted the certificate of the weigher for a certain lot, they would furnish that.

Q. Did you, in that case, pay a special fee for the service?—A. I think, perhaps, I paid \$3 once for a certificate, and \$5 at another time.

Q. You were in the habit of having the city weigher weigh your wire, were you?—A. No, sir.

Q. How then did you get the weights?—A. We had a city weigher weigh a few lots, but not a great many cargoes.

Q. But, upon a particular importation, how did you get at the weight, if not from the Government weighers; how did you obtain the weight?—A. We usually took the weight of the shipper.

By Mr. BAYARD:

Q. You spoke of duplicate invoices being sent, the object of which was to insure your getting one of them in time to make your entry promptly?—A. Yes, sir.

Q. How long does it take you to get a permit for an invoice of goods through the custom-house?—A. We can get it in two or three hours, ordinarily.

Q. Put it through?—A. Yes, sir.

Q. If a steamer arrived here, carrying her own invoice—I mean carrying her own copy of the invoice of the goods on board her—wouldn't that be sufficient time?—A. It would be, usually. On Friday morning I received an invoice of wire coming by the City of New York, and the City of New York brought the duplicate invoice. The original had not arrived. I sent the duplicate down before starting up here in the morning, and in an hour or two after I left my office the original came, and it was replaced—took the place of the duplicate.

Q. Then you had time enough even when the invoice arrives on board the vessel that bears the goods—you have time enough to get your permit at that date?—A. We usually get it the next morning. I sent the invoice and the bill of lading to our custom-house broker. He makes the papers and sends me a copy of the entry, which I file with the treasurer.

Q. Suppose you have your permit out on the very day that you make your entry, do you send it down to the ship?—A. We send it as soon as we get it. We don't always get it the day we make the entry. If I should send the invoice down in the afternoon, the custom-house broker makes all the papers, sends me up a copy of the entry showing the amount of duty to be paid, which I file with the treasurer the next morning, and get a draft for the amount of gold to pay the duty. Then I go down, sign the bonds, swear to the entry, pay the money, and get the permit within an hour, usually, after we do that.

Q. That process takes about an hour?—A. Yes, sir.

Q. After the duty has been ascertained and you obtain the gold to pay it off, that takes you about an hour to get your permit?—A. Yes, sir; usually.

Q. Do you send that permit immediately up to the ship?—A. Yes, sir.

Q. How is that, moving with that promptness and obtaining your permit, that goods should be sent under general-order?—A. I stated that there had been but two cases that went under general order at all.

Q. Have you not had an arrangement with inspectors to pay something to keep these goods from going under general order?—A. No, sir; as I say, we paid \$10 in 1871, to our inspector, because we didn't get either invoice in time.

Q. Were your goods there more than forty-eight hours?—A. Yes, sir; I think so. I think they were. I am not positive about that.

Q. He kept them back how long from general order?—A. I can't say how long; possibly twenty-four hours, and possibly only twelve.

Q. Sir?—A. Possibly twenty-four hours, and possibly only twelve; I can't say.

Q. That is after the forty-eight hours had expired?—A. Yes, sir.

Q. You say that occurred to you but once?—A. I think but once; yes, sir.

Q. How often did your goods go to general order in 1870 and 1871?—A. Only twice in 1870 and 1871.

Q. Are your invoices very frequent, sir?—A. We get one now every week.

Q. Now; but was it so in 1870 and 1871?—A. No, sir. Well, perhaps for a month for a time, we would get one every week. We imported a good deal of wire in 1870; some 10,000 miles.

Q. Ordinarily when you get your wire do you store it?—A. Yes, sir.

Q. Warehouse it?—A. Yes, sir.

Q. You had some of it sent to general-order store?—A. Yes, sir.

Q. What rates were charged you for the storage, cartage, and labor there?—A. One

hundred and fifty-six bundles from the City of Baltimore, September 14, Leet & Co. charged 15 cents storage, 15 cents labor—handling, as I usually term it—and \$13 cartage.

Q. Thirteen dollars cartage upon 156 bundles?—A. Yes, sir; making \$59.80. We have a contract with three parties, two of whom have three bonded stores, and one one bonded store only, where we pay the one-fifth of that for labor, and the one-sixth of that for storage, and our cartage is done by our carmen. The cartage would be about \$11 by our own carmen; their bill was \$13. The storage was \$43.20 on their bill, and ours would have been \$3.90. Labor, \$23.40 on theirs, would have been \$4.68 in ours.

Q. And you found that their charges for the same things; were your goods safely warehoused, were they in a good, safe, dry place?—A. Yes, sir.

Q. Equal in accommodation and care to the general order?—A. Yes, sir. One contract is the corner of Leary and West streets, which is close to Leet & Co., I believe; perhaps in the same building. I don't know about that.

Q. Squire & Co.?—A. Yes, sir.

Q. Right next door, is it not?—A. I think so.

Q. If I understand, right next door. It is in the same block of stores, is it not?—A. I believe it is.

Q. All under the same roof, running along together?—A. Yes, sir; I think so.

Q. So in Squire's store you can have the same description of goods—of merchandise—stored, and the labor charges upon them made for one-fifth of the price of storage, and one-sixth the price of labor?—A. One-fifth the price of labor.

Q. Well, and one-sixth the price of storage that you are compelled to pay Leet & Co., right next door to them?—A. Yes, sir; that is, in this case.

Q. That was the case they charged you?—A. Yes, sir.

Q. What was the other case; do you remember their charges there?—A. I can't tell about whose store that went to, but I presume it was Leet & Co.; however, I don't know about that. I didn't refer to the voucher to see.

Q. Is it your belief that the charge was the same as in the one case?—A. No, sir; the charge for 100 bundles was \$50; but I don't know how it was divided up.

Q. That was greater in ratio than this charge?—A. Yes, sir.

Q. If they charged \$59.80 for 156 bundles, and \$50 for 100 bundles, the \$50 was in a greater ratio?—A. The \$50 I didn't keep the voucher of, because we collected that back from the Cunard company.

Q. Were the bundles about the same size?—A. Yes, sir; they are usually about the same size.

Q. Did you afterwards warehouse the identical 156 bundles when you took them out?—A. I think we shipped them when we drew them out.

Q. So that you didn't store those identical bundles elsewhere?—A. No, sir.

Q. When you speak of the weighers, you mean the United States custom-house weighers on the dock?—A. Yes, sir, I presume it is; it is the people our carmen find weighing the wire.

Q. They are the ones that weigh it as it comes over the ship's side?—A. Yes, sir.

Q. They are not the city weighers?—A. No, sir; not city weighers.

Q. I understand you that the facilities they give you consist in promptly weighing the wire, in order that you may obtain possession of it?—A. Yes, sir.

Q. And also at times, when required, of giving you duplicates of their returns—certificates?—A. I think I never got but one from pier 47; that was in a case where a portion of the wire had been thrown overboard, down in the bay, and, in order to know how we could settle with the ship, I think I had duplicate statements.

Q. But they gave you a certificate of that?—A. Yes, sir.

Q. And for that you paid?—A. Yes, sir.

Q. Did you pay them just as you would have paid the city weigher, if he had weighed it?—A. No; I think that was a specific case; I paid \$3 or \$5, I forget which.

Q. In other cases, except this, has that been a money transaction, that they gave you certificates of the weight as taken by them?—A. No, sir; I state that ordinarily, usually, they don't give us any certificate. We don't ask for it; don't require it.

Q. All you pay them for ordinarily is prompt delivery to you—the weighing and delivery of the wire?—A. Yes, sir.

Q. But there are occasions when you have paid them, also, for copies—certified copies of their returns?—A. Yes, sir.

Q. By which you made your sales, or arranged your business with your customers?—A. Yes, sir.

Q. Now, sir, how long have you been in the employ of the telegraph company?—A. Over twenty years.

Q. You have been familiar with this business of importing wire for how many years?—A. For three years.

Q. Now, sir, from intercourse with the gentlemen engaged in like pursuits of the importation of merchandise to this port, do you find that this system of paying weighers and paying officers for services of this kind—promptness and obligingness, copies

of the returns—is a prevalent one?—A. Well, I don't know ; in fact, I am not acquainted with many importers, only perhaps three or four who import wire, and I can't say that it is generally. I know it is done by parties with whom I am acquainted.

Q. Sir?—A. I know it has been done by parties I am acquainted with.

Q. But, so far as your information extends, do you find it?—A. Yes, sir.

By Mr. PRATT :

Q. Is a copy of the invoice always sent by the vessel bringing your shipments?—A. It is expected that it will be. I have known it, in one or two instances, not to come, for some reason or another. Frequently, we get an invoice by the steamer before the one arrives bringing the wire.

Q. That is a triplicate invoice, isn't it, that you get by the steamer?—A. No, sir ; that is usually the original that we get by the first steamer.

Q. Triplicate invoices are made out at the place of shipment, are they not?—A. I don't know whether they are or not.

Q. Certified by the consul. One is sent, is it not, to the custom-house, and one to the consignee?—A. I don't know whether there is one sent to the custom-house or not. I believe there is, but we get a certified invoice, as we term it.

Q. You get that by mail?—A. We get that by mail ; yes, sir.

Q. And the vessels, I understand you, as a general thing, bring a copy of the invoice beside?—A. Sometimes the vessel brings the original, and sometimes a duplicate ; occasionally, neither.

Q. You spoke of Leet & Co.'s charges upon the 156 bundles of wire. Were those charges subsequently reduced?—A. No, sir.

Q. Was any complaint made?—A. No, sir.

Q. Do you know how those charges compare with the general-order charges heretofore prevailing at this port?—A. No, sir.

Q. Do you know, as a matter of fact, that the charges for labor and storage in the general-order store is greater than in private warehouses and bonded warehouses?—A. I merely know from what I have stated in our own case, where we have contracts.

Q. Are not the rates for storage and labor in private and bonded warehouses now extremely low?—A. I think they are.

Q. Isn't the business overdone?—A. I think so.

Q. It has been a losing business for the last few months, has it not?—A. I merely know that from evidence ; that is, I have heard that here ; that is all I know about it.

By Mr. CASSERLY :

Q. You have heard it in this committee-room?—A. Yes, sir ; that is all I know about it.

By Mr. PRATT :

Q. Do you know, as a matter of fact, what a fair, compensatory charge would be for storage of wire per bundle ; and what for the labor of the storing ; I mean so as to yield a living profit to the warehouseman?—A. We have paid as high as 8 cents a bale for storage and 8 cents for labor.

Q. Do you mean into private or bonded warehouse?—A. Private warehouse.

Q. How long ago was that?—A. I think three years ago, sir.

Q. Did you regard the charges at that time as excessive?—A. I thought they were a fair price.

Q. Has there been such a change in rents and in labor that the prices that you have named here this morning are an adequate compensation?—A. I don't know as to that, sir.

By Mr. BAYARD :

Q. You're not in the warehouse business at all?—A. No, sir.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872.*

M. C. GASPER sworn and examined.

By the CHAIRMAN :

Question. What is your business?—Answer. I have been connected with Howland & Aspinwall since 1862.

Q. What is your particular business?—A. It is supervising steamers and vessels ; attending to the sales of merchandise purchases.

Q. Are you familiar with the discharge of goods which are imported by Howland & Aspinwall?—A. Yes, sir.

Q. In the manner in which they get through the custom-house, &c. ; do you know what has been done with the payments of money to secure facilities for the landing of goods?—A. We have been in the habit, since 1863, of paying inspectors.

Q. Paying what?—A. Paying inspectors that were sent from the custom-house to our steamers.

Q. What have you paid them for?—A. For what purpose?

Q. Yes, sir.—A. Well, for overwork, and as an incentive to application; the duties with which they were charged there being somewhat onerous and somewhat difficult, requires closer application than Government officials generally give to such things.

Q. Were they not under obligations, as Government officials, to give full attention to the duties which are necessary in order to facilitate the landing of goods?—A. I suppose they were, sir.

Q. Did they fail in that?—A. We have often obliged them to work nights, although—

Q. Did any of them fail in performing their duty, so as to give you the ordinary facilities?—A. Well, I can't say they have, sir.

Q. You don't know of any instance in which they have?—A. No, sir; I can't recall an instance.

Q. But still you gave them money?—A. Yes, sir.

Q. How much have you been in the habit of giving them?—A. From \$10 to \$50, for each officer.

Q. From \$10 to \$50, for what services?—A. For night work or for overwork.

Q. Ten to \$50 for overwork on any particular ship?—A. On a particular ship, yes, sir; there are two inspectors assigned to a ship as it comes in.

Q. Can you name any ship on which you paid either of these sums?—A. Well, sir, I should be obliged to almost name every steamer we have ever had since 1863. There was at one time—Mr. Grinnell, I believe it was, issued a circular ordering agents of steamships not to pay officers, under penalties. It was discontinued.

Q. But you have been in the habit of paying for the unloading of almost every steamer?—A. Yes, sir; with the exception of that time.

Q. Now, can you tell the names of inspectors who received this money?—A. I don't know the name of a single one of them, sir.

Q. You know some of them, do you not?—A. I would recognize some of them, I suppose, to meet them.

Q. And have you been in the habit of paying so much money, and yet not knowing the names of the persons who received it?—A. Yes, sir.

Q. Have you paid it to any other officer of the customs besides inspectors?—A. No, sir.

Q. This has been a common practice with you and your firm, I understand—the firm you are with.—A. Yes, sir.

Q. Do you know whether it is so with other firms?—A. I believe it is, sir.

Q. You think it is?—A. Well, they have told me that it was because the matter has often been canvassed. As I said, it was about until a circular was issued by Mr Grinnell.

By Mr. CASSERLY:

Q. In what year, sir?—A. I should think that was three years since. It was discontinued for a while, and soon afterward, when night permits were granted, bills were rendered regularly from the custom-house for those over services for which we had been paying different.

By the CHAIRMAN:

Q. That was for night service?—A. For night service; yes, sir.

Q. Have you had regular bills for other than night service?—A. No, sir.

Q. Merely you put money in their hands without receipt or anything of the kind?—A. They came to the office just after the steamer was discharged and gone away, generally the next day, and there they got their money.

Q. The inspectors?—A. The inspectors; yes, sir.

Q. But you don't know whether, in consequence of this even, they rendered you any extra facilities?—A. They did if they worked at night—if they worked all night, as they often did.

Q. But when they didn't work at night?—A. No, sir, I don't know as they did.

By Mr. BAYARD:

Q. You say this has been the invariable practice since 1863?—A. Since I have been in that house.

Q. And this you believe to be the system in the port of New York?—A. Yes, sir.

Q. Do you know of any steamship line that is an exception to this rule?—A. No, sir, I don't. I have talked with all of them repeatedly. We have canvassed them together.

Q. Such is the testimony before us. You say the rates per man run from \$10 to \$50?—A. Yes, sir.

Q. The house of Howland & Aspinwall is, I believe, one of the oldest and most distinguished in this city, is it not, sir?—A. Yes, sir.

Q. One of the most extensive in their trade?—A. Yes, sir.

Q. Have you sailing-vessels consigned to you besides steamers?—A. Very often.

Q. Does the same rule apply there?—A. No, sir; we pay nothing to inspectors in sailing-vessels; never have.

Q. But in the steamers the payments are regular?—A. Yes, sir.

Q. You say that there was once a circular instructing in the custom-house those payments to cease?—A. Yes, sir.

Q. Was it understood subsequently that that prohibition was withdrawn?—A. Very soon after that; that was in force for a short time, and then bills were rendered regularly from the custom-house, where night permits were granted for overwork; and they were paid for a short time there, but I believe that within the last year the inspectors have come to the office the same way as before.

Q. It is the old practice renewed?—A. The old practice renewed.

Q. All inspectors receiving for their personal use these gratuities?—A. Yes, sir.

Q. Have you not been in the habit, in your house, of allowing inspectors' rations?—A. Yes, sir.

Q. State that.—A. They board on the steamer—take their meals there. For several years they were accustomed to having free use of liquors on board of steamers, but on my representations to the house that it was injurious to our business, and worked wrong in every way, it was stopped.

By Mr. CASSERLY:

Q. The liquor part of it?—A. Yes, sir.

Q. Are wines or things of that kind furnished to the custom-house officers while on duty?—A. Our orders are to our steamers never to furnish anything with the exception of a glass of ale or wine at dinner.

Q. To prevent their intoxication and neglect of duty?—A. Yes, sir.

Q. But you say, as a regular thing, they mess on board your steamers?—A. Yes, sir; always.

Q. At the expense of your house?—A. At the expense of the steamer.

By Mr. CASSERLY:

Q. And you do allow them, at their meals, wine and ale?—A. Yes, sir; but don't furnish it to them to take into the custom-house office on the dock.

Q. A little louder, if you please.—A. I found that when they had those liquors furnished them when they required them, they used to send their order aboard the steamer for them, and there would be quite a number of people in the office, which disturbed their business.

Q. That is in their little office on the dock?—A. In that little office; yes, sir.

By Mr. BAYARD:

Q. Your house is a large importing one of merchandise in addition to your shipping business?—A. Yes, sir.

Q. Have you knowledge of payments made to the inspectors to keep the goods from going into general order?—A. No, sir.

Q. You don't know that?—A. I never have had any difficulty of the kind.

Q. Your merchandise is landed upon your piers, is it not, sir?—A. No, sir; our heaviest importations are teas, sugars, which are landed upon other docks—whichever dock the vessel comes to.

Q. Which river is your business chiefly on?—A. Our teas are all landed on the East River. The dock we have occupied for a number of years back is on the North River—the steamship dock.

Q. You have no trouble with the general-order store?—A. No, sir; we never had much from our steamers—very little complaint and very little trouble, from the fact that we give them more time than most of the steamers do. The steamers being rather slow, we give them more time in port, so that consignees of goods have ample time to get their permits. Complaints of the goods going into general order have been very trivial with us.

Q. Your steamers are large, and, as you say, devoted more to freight than to passage?—A. Yes, sir; and slow.

Q. And therefore speed of unloading is not of much consequence?—A. No, sir.

Q. You give merchants time to get their permits out?—A. We give them ample time, and consequently have very little complaint.

Q. From what ports do your steamers run?—A. London and New York steamship line. We have had a line to Havana a portion of the time, and a line to Jamaica a part of the time.

Q. Three lines of steamships?—A. Yes, sir; a portion of the time. The Havana line and the Jamaica line were discontinued several years since. The London line don't run this winter, and will not run again until spring.

Q. The system of gratuitous reward in this way is practiced on all?—A. Upon all steamships; yes, sir.

By Mr. PRATT:

Q. Where you pay these gratuities to inspectors do you make an entry upon your books?—A. Yes, sir; charge to the steamers.

Q. Do you make entry of the name of the inspectors to whom paid?—A. No, sir.

Q. Why do you not do that?—A. Because we shouldn't consider it at all necessary. It is an amount paid regularly every steamer, and is put among disbursements of the ship while in port.

Q. Is it done with any purpose whatever to shield the inspector from investigation into the propriety of his conduct?—A. No, sir; not in the least.

Q. You say gratuities paid range from \$10 to \$50; upon what conditions do these payments depend?—A. If the steamer has been obliged to work several nights—three or four nights—or working very late at night, we don't consider that the officer is bound by his duties to the custom-house to work, and we then give them \$50 apiece; but these are extreme cases.

Q. For how long a time are inspectors employed generally where those gratuities are paid?—A. From a week to ten or twelve days with our steamers.

Q. When you speak of \$10 and \$50, you mean that those are cash payments?—A. Yes, sir.

Q. And exclusive entirely of the rations?—A. Yes, sir; entirely.

Q. When the bill for the extra services for the inspector was rendered by the custom-house, into what fund did this money go?—A. At the custom-house?

Q. Yes, sir.—A. I don't know, sir; we paid it into the custom-house.

Q. Do you know whether the inspectors were reimbursed then by the custom-house for their extra labor?—A. I don't know anything about that; I only know that they did not call on us for money at that time.

Q. To what officer of the custom-house did you pay these fees?—A. I couldn't tell you; it was sent up by our custom-house clerk. A regular bill was furnished us from the custom-house, and money was sent by him.

Q. Why should nothing be paid inspectors for superintending discharging cargoes from sailing-vessels; why should these perquisites be paid exclusively to those superintending the unloading of steamers?—A. The duties are nothing like as difficult on sailing-vessels. The officer goes aboard, and the sailing-vessel is often two or three weeks discharging, and the officer lives on board.

Q. Is the officer boarded on the sailing-vessel?—A. Yes, sir; generally, I believe, if the vessel is of a good class. Often an officer is put in charge of several sailing-vessels.

By Mr. CASSERLY:

Q. In charge of several sailing-vessels?—A. Yes, sir; several sailing-vessels at the same time.

Q. While the ship is discharging, during what part of the day are the discharging officers on duty on board the ship?—A. They commence work, I think, about 7 or 8 and work until 5.

Q. Then the custom-house officer gets all his meals on board the ship?—A. Yes, sir.

Q. Breakfast, dinner, and supper?—A. Yes, sir.

By Mr. BAYARD:

Q. How many inspectors are assigned to each steamer?—A. There have always been two until quite recently. I believe now they have apportioned three.

Q. Is there any real necessity for three?—A. Not the least, sir.

Q. Sir?—A. Not the least.

Q. How long have you been having three assigned?—A. It is only recently, I think, that order was given. The last steamer we had was in November.

Q. Now let me ask you whether the third man is superfluous?—A. Entirely so, sir; we have one man on the dock who does as much work as those two officers.

Q. How is that, sir?—A. We have one man on the dock always who does the same work as the two officers do.

Q. Has that always been the custom?—A. Yes, sir; and he does it as well as they do theirs.

Q. Now, sir, you have been, as I understand, in the active superintendence of this business eight years, or nine years nearly; is that your experience during that time, that one man—one dock of your own is enabled to do the same work precisely in character for you the same as the Government?—A. Yes, sir.

Q. He keeps the same docks?—A. Yes, sir.

Q. The same lists; has he the same accounts to render to you as inspectors would to the Government?—A. Yes, sir.

Q. And you find that that one man can efficiently do the work that is done always by two, and now by three United States officers?—A. With just one man the entire delivery of the cargo.

Q. Now, as a matter of fact, if you designed, for the satisfaction of the house—sup-

pose we had reached that millenium where there were no duties, and it was perfectly free trade, and no necessity existed for officers, but there would be the same necessity for the carriers, the ship-owners, to have a true account of the discharge of vessels, would you feel that that one man you employed there could be safely relied upon to give you an accurate account of all that was on board your ship and discharging at port?—A. I have not a doubt of it, sir.

Q. Then, in point of fact, if the Government needs, as it does for the purposes of its revenue, to have the custom-house officer there, could not one man, as diligent and as intelligent as the single clerk you employ, perform the full duty, if so disposed?—A. There is no doubt about it, sir, at all.

Q. May I ask you what would be a fair salary for a dock-clerk?—A. We pay our dock clerk \$4 a day when he is employed, but if there is a week interim, we don't pay him; we only pay him for the number of days that he is actually employed at the steamer.

Q. For that you obtained a man reliable and efficient for that purpose?—A. Certainly, sir.

Q. Have you more than one dock-clerk employed?—A. No, sir; we have one who keeps the entire record of the discharge of the ship, an entire record of every package, where it goes to and what is done with it.

Q. Has he been some time in your employ?—A. The one we have now we have employed four or five years.

Q. Then I need not ask you if he is a man in whom you have confidence in all respects.—A. He is, sir.

Q. You get him for \$4 a day when he is actually employed?—A. Yes, sir.

Q. And if there is an interim of idleness for a week, he does not get paid during that time?—A. Yes, sir.

By Mr. CASSERLY:

Q. Don't you think that a rather low rate of compensation for such services?—A. I do not; no, sir.

Q. In addition to the other duties performed by the dock-clerk, which are the same as you have stated are performed for the Government by the inspector, doesn't the dock-clerk perform this additional duty in attending to and keeping a record of the good and bad order packages as they go off the wharf?—A. He does, sir.

Q. Are you aware of any practices on the part of the discharging officer by which goods get on shore from the ship, whether baggage or merchandise, without paying duties to the Government?—A. No, sir; I don't.

Q. Your department in the house doesn't enable you to have any information on the subject?—A. I am never aboard the steamers until they are on the dock and the passengers are all discharged in the stream.

Q. Your dock-clerk is the only clerk in your house who has any practical knowledge of these subjects I have spoken of?—A. Yes, sir.

Q. Tea and sugar are not articles of merchandise that get to any extent into general order, are they?—A. No, sir; hardly ever, except in this case of miscarriage of invoices or bills of lading and papers.

Q. Can you state the length of time your house has been in a state of existence in the city under one firm or another?—A. I cannot, sir; I couldn't tell the time; it is a long time.

By Mr. PRATT:

Q. Did I understand you to say that the inspector assigned to a discharging vessel had no wider range of duties than the dock-clerk?—A. I believe I didn't say so.

By Mr. STEWART:

Q. A little louder, if you please.—A. I don't think I've had any such question asked me.

By Mr. PRATT:

Q. Then you didn't mean to be understood that the range of the duties of dock-clerks was as wide as that of the inspector?—A. The dock-clerk's duties are to see that no goods leave the dock without he has a receipt for them—without he knows the proper person has received them; but I suppose that the inspector has, in addition to that, to see that no goods come ashore without he has his proper permit for them.

Q. Does not the inspector have to make a record of every permit, and doesn't he have to make a record of the general order?—A. He does; yes, sir; so does our clerk of the general order and the delivery of the goods, whether they go to general order, bonded store, or are delivered to the consignee.

Q. Does the dock-clerk make a copy of every permit?—A. No, sir.

Q. He does not?—A. No, sir.

Mr. STEWART. Nor does the inspector.

By Mr. PRATT:

Q. What means has your dock-clerk of knowing whether a package is going to general order, or is to go to public store, or is to go to bonded warehouse? How does he ascertain that fact?—A. When the goods come out of the ship, they are run on a truck in front of the office where the officer stands—the inspector stands. The number is called off generally by a man we have placed there ourselves. The officer, then, if he has his permit, says "Permitted;" if not, he says "General order," and the goods are marked "G. O.," and put in a certain place on the dock where the goods are designed for general order.

Q. Then your dock-clerk obtained this information at the custom-house office on the dock?—A. Yes, sir.

Q. And he obtains his information, then, from what the inspector does in observing the marks and numbers of a package; he directs that it shall go to the public store, or to the general-order store, or to the bonded warehouse; your dock-clerk obtains the information, then, from the inspector, does he?—A. As to whether the duty is paid or not; yes, of course. He has nothing to do with the permits.

Q. Now, are you so thoroughly acquainted with the inspector's duties in the unloading of a vessel as to be able to say that one could perform the duty of three?—A. I believe, sir, that one capable inspector could do all the duties required for the proper discharge of the vessel.

Q. Doesn't he have a very great deal of writing to do?—A. Very little.

Q. Does he not have to make an abstract of every permit and every general order?—A. His manifest is copied. He has his manifest, and when he receives his permit a check is put against that mark. When the goods come before his office and the numbers are called, he has only to look at the manifest—it is all before him—to tell where the goods are to go.

Q. The manifest is before the inspector?—A. He has a copy there.

Q. Who makes that copy?—A. I suppose he makes it.

Q. You have been in the custom-house office on the dock frequently, have you, and seen the operation?—A. Yes, sir.

Q. Well, in point of fact, how do three inspectors employ their time? If one can perform the duties of the three, how are the other two engaged?—A. We haven't had but two on our steamer.

Q. Very well. How does the superfluous one employ his time?—A. They are both there. I suppose they occupy their time in attending to the discharge.

Q. Do they both seem to be employed?—A. Yes, sir.

By Mr. CASSERLY:

Q. Am I right in supposing the manifest is the book of the bills of lading?—A. Yes, sir; that is a copy.

Q. It contained all the marks and numbers, and the permits must agree with the marks and numbers on the manifest?—A. Yes, sir.

Q. Consequently all the inspector has to do is to check off the permit against the description as contained upon the manifest?—A. Yes, sir.

By the CHAIRMAN:

Q. Is it not necessary that the inspector should be present all the time that the vessel is being discharged?—A. Certainly; yes, sir.

Q. What, sir?—A. Yes, sir.

Q. Well, the vessel is being discharged from sunrise to sunset, is it not?—A. Yes, sir.

Q. Is it possible for one man to be continually on the watch during that entire time?—A. They stop at 12 o'clock always; the whole work is suspended.

Q. Even then, though it be suspended for an hour from 12 to 1 o'clock, is it possible for any one man to occupy a particular position, where he can see to the entire discharge of the cargo, from sunrise to 12 and from 1 to sundown?—A. I don't see any objection to it, sir.

Q. You see no difficulty?—A. No, sir. He has a small office, and every package is obliged to be trucked in front of that office when it comes out of the ship.

Q. You see no difficulty in his remaining there all the time?—A. No, sir. If he was away for a few minutes at a time, no goods would be passed while he was away.

Q. Would not that retard the discharge of the ship?—A. Not much.

Q. Not if he was away five minutes, and the packages are brought up before the inspector's office? Wouldn't the package have to wait five minutes?—A. It might; yes, sir.

Q. Wouldn't that be a delay of five minutes in the discharge of the ship?—A. It might, of course.

By Mr. BAYARD:

Q. Who remains longest there on the dock—your dock-clerk or the inspectors?—A. How do you mean?

Q. I mean by that who stays latest?—A. The dock-clerk. He is often obliged to stay in the evening when the inspectors don't, when the ship is at work.

Q. I understand that the inspector has an office assigned to him on the dock?—A. Yes, sir.

Q. And that all the goods are brought past him, and are stayed until he orders the direction they are to take?—A. Their destination; yes, sir.

Q. Who is it that calls off the marks and numbers to him?—A. We have generally placed a man there ourselves to do it.

Q. That is paid for by you?—A. Yes, sir.

Q. Then the person who has the trouble of examining the cases and ascertaining the marks and numbers is employed by the ship-owner?—A. Yes, sir. The case is always placed in front of the office so that the inspector can see it.

Q. Now, when he gives the direction "General order," or "Warehouse," or "Delivery" to a party, who puts the mark on?—A. The man outside.

Q. That is your man?—A. Yes, sir.

Q. Then the inspector has none of that trouble to do?—A. No, sir.

Q. He simply stands still and gives his orders to your man, who works under his eye and under his direction; is that so, sir?—A. Yes, sir.

Q. And he has complete control over them in respect of the distribution of these goods?—A. Yes, sir.

Q. Then, after the goods have gone past him, and have been designated for general order or for warehouse, or for merchants, your dock-clerk has to see that these orders are carried out?—A. Yes, sir.

Q. And he takes from the carman receipts himself?—A. Yes, sir.

Q. Must not the dock-clerk be very alert to see that the right men get the right goods, and isn't that a post requiring much more activity and vigilance than the post of the inspector?—A. I think so.

By Mr. PRATT:

Q. As the packages are called off and designated for general-order, warehouse, or for the public store, or for the merchant, are they not all wheeled to or trucked to several parts of the dock, kept separate from each other, so that there is no difficulty in distinguishing what packages are to go to one place and to the other?—A. No; they are generally run up the dock; when they are to be delivered they generally run up the dock, and, of course, in the discharging of a vessel, there must be some confusion, and the packages are somewhat mixed; they put them as far as possible by themselves.

Q. Is there not a dock-mark made at the time they pass the custom-house office, designating just where each package is to go?—A. Only those that go to general-order, I believe.

Q. Are you sure of that?—A. I believe that is so, sir.

Q. Now another question and I am done: Does your firm regard the goods as under their control and custody, and that they are responsible for them until they are delivered and the carman's receipts taken?—A. It's a pretty hard question to answer.

Q. I am asking simply your opinion. I am not asking any abstract opinion of law, simply how do you regard that?—A. That is a difficult question to answer. We have had a considerable number of suits, and the case has been tried very often. I think it is one that has never been decided very satisfactorily. Some claim that when the goods that are weighable pass the scales, the ship's responsibility has ceased. Others claim that when a case passes the officer, and is designated general-order or for bonded store, that it is in the hands of the custom-house, and out of the hands of the ship or consignee, so that the question is a very difficult one to answer.

Q. Why, then, did you take receipts from the carman if you considered other men as responsible?—A. I don't say we considered it so. I say we took every precaution to guard against it.

By Mr. BAYARD:

Q. You wish to know there has been delivery to them in some condition?

The CHAIRMAN. They want to show that the goods were in good order when the carman receipted for them at the head of the dock. I suppose they expect, as a matter of evidence, that the ship's liability terminates when the goods are delivered by the tackles over her side.

The WITNESS. That is the wording of the bill of lading, but I don't think that it has ever been held to be good law.

By Mr. BAYARD:

Q. If the custom-house officer—the inspector—has designated the goods for general-order, by having them marked in the way prescribed, "G. O.," they are taken possession of by the general-order carman?—A. Yes, sir; the general-order carman is waiting.

Q. And taken away, that is the unpermitted goods, the unclaimed?—A. Yes, sir.

Q. Now, sir, has your dock-clerk any control over those goods on the wharf; can he

detain them if the custom-house carman comes to claim them for the general-order?
—A. No, sir; he can't.

Q. Then could a dock-clerk regulate a delivery of general-order goods of his own authority at all?—A. No, sir; he couldn't.

Q. If it were done by him, would it not necessarily have to be done with the consent and approval of the inspector—the custom-house officer?—A. Yes, sir.

Q. Sir?—A. There's no doubt about that.

By Mr. PRATT:

Q. How do you collect your freight bills on unclaimed goods?—A. If they go into general-order store or go into a bonded store—if the goods are bonded we put an attachment on them, put a lien on them.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872.*

ABRAHAM C. BEATTY sworn and examined.

By Mr. CASSERLY:

Q. Were you at any time, and if so, how long, a Treasury agent?—A. I was in the service about nineteen months, in the Treasury Department.

Q. State between what dates.—A. From 1870 to 1871. April, 1871, I left.

Q. Did your services commence in 1869 or 1870?—A. They commenced in 1869.

Q. About what period?—A. I think it was in March.

Q. In March, 1869?—A. It was either—I don't know whether it was in February or March; I think it was in February or March; I am not positive.

Q. Eighteen hundred and sixty-nine?—A. Yes, sir; and left in 1871. I was at work for the Department, but had no appointment previous to March, 1869. I was working some five or six months before that, but had no appointment, no special appointment.

Q. Then from February or March, 1869, until April, 1871, you were in the detective business?—A. Yes, sir.

Q. To whose bureau were you attached?—A. Hiram C. Whiteley, chief of the secret service.

Q. Is he the general who has been spoken of here as General Whiteley?—A. Colonel Whiteley.

Q. The same person?—A. Yes, sir.

Q. What were your individual duties in that service?—A. My individual duties were to look out for frauds in the revenue department, looking out for counterfeiters, looking out for smuggled goods, anything where the Treasury was injured, anything, all kinds of frauds.

Q. Were you a seizing officer?—A. No, sir. Mr. Whiteley was.

Q. How many persons besides yourself, attached to his bureau, discharged the same duties as you?—A. All hands; everybody belonging to the service.

Q. How many were there? How many detectives like you were there in the bureau of Colonel Whiteley?—A. I couldn't tell, sir; they were scattered all over the country.

Q. Is it the fact that you didn't always know who were your associates?—A. Yes, sir.

Q. It is the fact?—A. Yes, sir. We knew the men in New York, most of them.

Q. How many men were there in New York?—A. There were seven of them most of the time.

Q. Where was Whiteley's office?—A. When I first went there it was 37 Bleecker street, and then they moved to 57, and afterward to 52, where it now is.

Q. Had he no office in or near the custom-house?—A. Not to my knowledge.

Q. This committee is here to examine into any abuses, if any exist, in the administration of the customs and of the revenue of this port. Among other subjects, we have it in hand to inquire into the subject of seizures, and into abuses connected with them, or in regard to the compromises made from time to time. You have spoken of your own duties in detail; among those duties, as you have mentioned them, had you any specialty?—A. My specialty was to serve warrants and to look out for cigar stores, tobacco dealers, &c.

Q. What had been your previous business?—A. I had been in the police department, and a steamboat pilot. I was in the police department for some thirteen or fourteen years ago; my occupation was a steamboat pilot.

Q. Do you know of any abuses during your term of office in the service that you think should be laid before this committee? If you do know of any, you can state each case in detail.—A. It would take a good while if I was to undertake to tell all the experience I have had in smuggling matters.

Q. Well, sir, do you know of any case of smuggling in which you think there was wrong done by the officers in charge of the matter?—A. I do.

Q. Either to the Government or to the individual?—A. I do; a great many.

Q. Will you mention a few of the principal cases?—A. One is this diamond case—this Ratcliffe diamond case.

Q. Ratcliffe or Redcliffe, which one was it?—A. Ratcliffe.

Q. When did that take place?—A. I think he was arrested in January, 1870.

Q. You think the parties were arrested?—A. Yes, sir.

Q. Was there one or more parties?—A. One.

Q. Arrested in what year?—A. Arrested in January, 1870.

Q. Who arrested him?—A. Hiram C. Whiteley, I think. I think he arrested him; I was out of town at the time, in the West.

Q. Was that a case of smuggled diamonds?—A. Yes, sir.

Q. Smuggled on what ship?—A. That I couldn't tell you, sir. Most of them were smuggled through the post-office; the majority of them smuggled through the mail.

Q. You say the most of them were smuggled through the mail?—A. All the small stones were smuggled principally through the mail.

Q. Well, the other ones; how as to them?—A. That I couldn't tell you, sir; I don't know anything as to how they were smuggled.

Q. When you speak of the case of the Ratcliffe diamonds, then you include several distinct cases of smuggling of one lot of diamonds; is that it?—A. Yes, sir; the lot of diamonds amounted to about \$8,000, \$9,000, or \$10,000, that they got. Among the rest was one lot that was some fifty-four stones; that was in a broker's office; that Mr. Whiteley got at, and sold to his men; small stones, fifty-four.

Q. How is that? Repeat that.—A. I say among this same lot of diamonds, or some of the same lot of diamonds, there were fifty-four small stones that were pledged in a broker's office; Mr. Whiteley got those, and sold some of them to his men, part of them; I bought eight stones myself.

Q. When you say sold them or some of them to his men, do you mean his detectives and persons about him?—A. Yes, sir; men working under him; men in the office, and men to work under him.

Q. His subordinates?—A. Yes, sir.

Q. You say there were fifty-four stones in that lot?—A. I think there were fifty-four stones in that lot.

Q. You paid Colonel Whiteley for how many?—A. Eight.

Q. What did you pay for them?—A. Thirty-four dollars and fifty cents.

Q. For the eight?—A. Yes, sir, I think so; between \$34 and \$35.

Q. Do you know what he got for the whole?—A. I don't, sir; I know all the parties he sold to.

Q. How many were there in all?—A. He sold to William Botts, Morris Sullivan, myself, J. C. Nettleship, and A. B. Newton.

Q. That is five in all, is it not?—A. Yes, sir; five in all.

Q. What authority had he to dispose of those diamonds in that way?—A. I don't know as he had any, sir.

Q. I understood you to say that he seized them in virtue of his powers as a Treasury agent?—A. No, sir; he is appointed from the custom-house; he holds an appointment from the custom-house, I should have said.

Q. Do you know what his office is called?—A. Whiteley's?

Q. Yes, sir.—A. I think it is inspector of customs.

Q. He is the head, however, of the detective bureau?—A. He is at the head of the secret-service division.

Q. Who is Nettleship, of whom you have spoken?—A. He is a deputy-in-chief.

Q. He is first assistant?—A. Yes, sir.

Q. Do you know what became of the rest of the diamonds seized at that time?—A. I don't, sir; I think the court-records will show there was a suit for the moiety of those diamonds, and I think it was before John Osborn, commissioner in the United States court. I think the record will show what became of those diamonds, and show this whole case as it is; you can get the official record.

Q. Will that case show anything of the fifty-four diamonds that you say were taken in a broker's office, and sold by Whiteley to his men?—A. Yes, sir; that is in the testimony.

Q. Do you know the name of that case, the title of it?—A. The Ratcliffe diamond case.

Q. It was known by that name in the courts?—A. Yes, sir.

Q. How did this sale of the fifty-four diamonds by Whiteley to his men get into court?—A. Through me; I was on the stand.

Q. You testified there on the subject fully?—A. I did, sir.

Q. Do you know what disposition was made of the case finally?—A. I do not, sir. I think it is still undecided. I am not positive whether it is or not.

Q. Were the fifty-four diamonds included in the diamonds that were brought into court, and as to which condemnation was sought?—A. No, sir; there were two lots of diamonds there in this broker's office, but what became of the other I know nothing

about. I know I had the warrant for him, and went down to arrest him, but they told me I had better let him go.

Q. You acted on those instructions of your chief?—A. I always did, sir, invariably.

Q. Do you know the number or value of the other lot?—A. I do not, sir. I think it was a little more than the value of this. The eight diamonds I bought, the man who set them told me that they were worth \$60 to \$65 in gold. I gave \$34—between \$34 and \$35.

Q. What became of them?—A. Those diamonds of mine?

Q. Yes, sir.—A. Well, sir, I can put my hand on them.

Q. Do you know what became of the diamonds bought by the other men?—A. I presume they have them.

Q. Besides those, I understand you to say there were a lot seized and brought into court for forfeiture, worth \$8,000 or \$9,000?—A. I think so, sir. They were forfeited; I am aware of that. O, yes; the goods were forfeited, and this suit was for the moiety—the informer's moiety.

Q. The controversy was between whom?—A. Between Whiteley and Esmond and Justice.

Q. They were private individuals, were they not?—A. Yes, sir; they were parties who gave the information. Mr. Justice came over in the ship with this Ratcliffe.

Q. He was a young man, was he not—this Ratcliffe?—A. Yes, sir; Ratcliffe was a young man—an Englishman.

Q. Yes, sir; I think I remember it now in the papers. They had used him as a tool, had they not—Edson and Justice?—A. No, sir; I think not.

Q. Well, that was the impression I got from the papers. How did Esmond and Justice become to have anything to do with it?—A. Esmond was an agent for him.

Q. In the smuggling?—A. Selling these diamonds, and he got scared and came to Whiteley with this information, and Whiteley he seized them, and then claimed the moiety himself.

Q. I don't see as that part of the subject is of any interest to us unless you know something connected with it that shows abuses on the part of Whiteley.—A. How do you mean? I don't understand you.

Q. I understood you that Whiteley had set up a claim which I suppose you wish us to infer was a false claim under the circumstances. What I ask is, do you know of the falsity of the claim?—A. I don't know any further about this matter than buying of the diamonds, the seizing of the diamonds, and the case in the United States court, in which you can get a copy of the whole investigation.

Q. Has the question as to who was the informer ever been decided?—A. I don't know; I think it has, sir.

Q. Perhaps it is not very competent testimony, but do you know in whose favor it was decided?—A. I do not; I never made any inquiries. I know it was decided by the commissioner in Esmond's favor.

Q. In favor of the private informer?—A. Yes, sir.

Q. When you say the commissioner, what commissioner do you mean?—A. Commissioner Osborn.

Q. Is he still in office?—A. Yes, sir.

Q. Why did Colonel Whiteley fail to bring into court the diamonds which he sold to you and the other men?—A. Because he hadn't them.

Q. Ay?—A. Because he hadn't them.

Q. That is to say, he had sold them to you?—A. He had sold them.

Q. Upon what pretext did he excuse such a course?—A. I couldn't say, sir.

Q. Why did he deal differently with that part of the diamonds taken?—A. These diamonds, I told you before, were in a broker's office, pledged there, money borrowed on them, and Whiteley said he had paid that money, but whether he did or not I don't know; that I know nothing about.

Q. That he had paid off the money lent?—A. Yes, sir.

Q. Was that the ground upon which he sold that particular lot of diamonds among you men?—A. Yes, sir.

Q. As to whether that was a true ground or fact, you don't know?—A. I don't know anything about that; of course, I know the diamonds were there for I went after them.

Q. To where?—A. Down to this broker's office. I forget the number, but it is next door to Broadway in Maiden Lane. A man by the name of Pike keeps it.

Q. I understand you to say that you were the officer who actually took possession of the diamonds in the broker's office?—A. I saw them in a broker's office when I went down there with a warrant.

Q. What warrant?—A. I heard that there were diamonds concealed there, and I went down to arrest Pike.

Q. And while there to serve the warrant?—A. He showed them.

Q. And you saw these diamonds?—A. Yes, sir; he showed them.

Q. The lot of fifty-four you mean?—A. Yes, sir; the other lot he didn't have; some

other parties had them, but they were from the same place; he had had them. I guess he put them out of the way.

Q. And those never were taken?—A. Not to my knowledge; I know nothing about it.

Q. Is there any other case that you know of occurring under Colonel Whiteley, that should be brought to the notice of this committee?—A. Well, there is a good many cases.

Q. We will take the next one that occurs to you.—A. We used to arrest parties that smuggled cigars almost every day in the week—sometimes every day, while we never convicted one, for the simple reason that he would take the cigars away from them, and that would be the end of it.

Q. Where did you generally arrest those parties; on the steamer or on the shore?—A. I generally arrested those parties on shore. We have had several suits against the steamers.

Q. But generally the arrests in the cigar cases were made upon shore?—A. Yes, sir.

Q. What was the largest number of cigars that you seized upon shore?—A. Well, I think about forty-five or fifty thousand.

Q. At one time?—A. Yes, sir; I couldn't tell you exactly; all away from a thousand to fifty thousand.

Q. What was the size of the box of cigars taken, which, as you say, it was Whiteley's practice to dispose of them or by taking them into his own possession?—A. He always took all the cigars and things seized in his own possession, liquors and cigars, everything was ever seized. The diamonds were taken in his possession. Except one lot of laces that were seized in Jersey City, that is the only thing I remember ever that didn't go to the office. That went to the marshal's office.

Q. There was one lot of laces you say seized at Jersey City which went to the marshal's office?—A. Yes, sir; I think that lot of laces was worth about \$4,000.

Q. Now, do I understand you to say that, except that lot, all other goods seized or smuggled went to Whiteley's office, in Bleecker street?—A. Yes, sir; I don't remember of any one thing that was ever seized, but what went there, except that lot of laces, while I was with him.

Q. Did he make no returns of those proceedings in writing to the custom-house?—A. I don't know anything about that. I don't know anything about his private business at all.

Q. Ay?—A. I don't know anything about his private business at all.

Q. Do you regard his return to the custom-house in regard to his private business?—A. Yes, sir.

Q. That is a public duty, is it not, on his part?—A. Yes, sir; but it is a private business for me.

Q. You didn't know anything about that?—A. I didn't know anything at all.

Q. Was it your practice and the practice of your fellow-officers to make returns when you made seizures of property?—A. We always made returns to the chief.

Q. In writing?—A. Yes, sir.

Q. When so large a lot of cigars as fifty thousand was seized by Colonel Whiteley, what proceedings followed?—A. There were three parties arrested; we got track of those cigars, and went down and arrested the parties, and fetched the cigars to the office.

Q. To Whiteley's office?—A. Yes, sir.

Q. What then happened, sir?—A. Parties were kept until next morning, and, I think, bailed out.

Q. What was the date of that transaction?—A. It was in the spring of 1870, or in the summer of 1870.

Q. Was that case ever prosecuted in court?—A. Not to my knowledge.

Q. Do you know what became of the cigars?—A. I do not; I know a good many of them were used up and given away.

Q. Tell us what you know about that.—A. Well, everybody that wanted cigars used to come in there and get them; sometimes they would give them a box.

Q. A little louder, if you please.—A. He would give away two boxes or three boxes at once.

Q. Do you mean out of this lot, or any other?—A. That was out of all the lot of cigars; I couldn't tell whether out of that lot or some other. We used to get, sometimes, two, three, four, six, to ten thousand cigars a week, right along.

Q. Was it the practice, one time, to keep a large lot of cigars at that office?—A. I have known as high as one hundred and fifty thousand to be in there. Yes, I am positive I have known one hundred and fifty thousand to be in there.

Q. What person in the bureau, in the office, had the charge and custody of such property?—A. I don't know of anybody except the chief and his clerks.

Q. Was it the custom for friends of the parties in the office, policemen and others, when they came in, to help themselves to cigars?—A. Yes, sir; invariably. Reporters and policemen around headquarters would come around every day and get a box; some

reporters would come every day for their cigars. Of course, present company is always excepted.

Q. Where a lot of cigars were taken in that way, was there prosecution in the courts of law? How were the cigars accounted for?—A. I don't know that they were ever accounted for. The last job that I ever did for Colonel Whiteley, barring the washed stamped job, was a cigar job.

Q. Barring the job of the washed stamps?—A. Yes, sir. Previous to that I arrested two parties with a thousand smuggled cigars, right on the steamer. There was a big lot more on the steamer. I fetched him to the office, with the cigars. He was kept there till the next morning, and whether he was kept there, I don't know.

Q. Whether who went?—A. Colonel Whiteley. The next morning I found that the cigars were divided among certain men in the office.

Q. Did you get any?—A. No, sir. I used to help myself, though. I used to get all the cigars I wanted to smoke.

Q. Cigars that went in that way didn't do the revenue much good?—A. None at all, I should think. We don't generally put a stamp on. We never put any revenue stamps on them.

Q. You mean you put no revenue stamps on the boxes which you seized?—A. Certainly not.

Q. And you put none on anywhere else?—A. No, sir.

Q. How long did that practice continue, in regard to the cigars, at the office of Colonel Whiteley?—A. All the time I was there; that is, after we got into the cigar business—after we got to arresting parties with smuggled cigars, or neglecting to stamp them or brand them, &c. Well, I suppose I have had forty cases, and almost invariably they would be settled for \$200, \$300, \$400, or \$500.

Q. How is that?—A. In these revenue cases where we arrest parties for evading the revenue law, they would invariably all be settled in the United States courts by the district attorney, varying from \$50 to \$500.

Q. Was that a proper settlement in regard to amount or not?—A. I don't think it was.

Q. Was the amount too low?—A. In some cases it was, and in some cases it was too high.

Q. When you made arrests or seizures on board the steamers, what was usually the amount of cigars you were able to capture?—A. I never made an arrest on board a steamer, and never seized any cigars on board a steamer.

Q. Where did you seize that last lot of cigars?—A. On the street.

Q. In the custody of the person?—A. Yes, sir.

Q. What attracted your attention?—A. I had information that certain parties would be at certain places to deliver some cigars at a certain time.

Q. Where did they come from?—A. Havana.

Q. How soon after the arrival of the steamer did you seize them?—A. The next day, I think.

Q. How near the steamer?—A. The steamer lay at pier 15, at the foot of Wall street, and I seized them at Chatham street.

Q. What became of that lot of cigars?—A. They smoked them up.

Q. At the office?—A. Yes, sir.

Q. Do you know of any lot of cigars seized during your time in the office with respect to which proceedings were taken into court?—A. I don't.

Q. Still you don't know whether proceedings were taken or not?—A. I don't know what ever became of them; I know the parties were never convicted.

Q. Well, tell us about that seizure of fifty thousand cigars—who were the parties?—A. I don't know that I could give you the names; one of the parties kept a place on Washington street, where we found the cigars.

Q. Where on Washington street?—A. I don't know that I can tell you exactly where. I merely went as an officer to arrest. I had nothing to do with the working up of the case. I know we had four trunks and two valises full—large trunks.

Q. And they were all taken to the office?—A. Yes, sir; in an express wagon.

Q. You don't know whether they were made a subject of a prosecution or not?—A. No, sir; I took them to the court, and the next day, I think, they were bailed.

Q. When a seizure is made of cigars, what is the proper course required by law in regard to stamping or marking in any way?—A. I don't know that there is any course marked out for smuggled goods. Smuggled goods are not marked at all.

Q. Not when you seize them?—A. No, sir.

Q. You remember a great quantity of cigars were taken in the office, and carried off for use by private persons—friends and acquaintances there—without being stamped?—A. Yes, sir; part of these were seized in New York from cigar manufactories.

Q. Are you speaking now of the seizures made under the internal revenue law?—A. Yes, sir.

Q. And not under the custom-house law?—A. No, sir. For instance, we would go into a cigar place, and find him having cigars packed into old boxes, which was

contrary to law. We took enough to keep as evidence—two or three thousand—take them to Colonel Whiteley's office, and arrest the parties. That case would probably be settled for \$200, \$300, \$400, or \$500. He would get his goods back sometimes, and sometimes he would not.

Q. It was settled in the district attorney's office?—A. Yes, sir.

Q. Well, in cases where the claimant of the property was not able to get his goods back, or the whole of them, did he make any complaint or any trouble about it?—A. I never knew of any complaint being made. O, yes; there was a cigar man seized on the corner of Water and Roosevelt streets, who lost some forty thousand cigars, and he made a time about it. I don't know what it amounted to, and don't know anything about it. I wasn't in that case. There was some ninety thousand cigars in that case, and I guess more. I guess there was one hundred thousand cigars.

Q. Did he make a settlement?—A. I couldn't say, sir. I know he got part of his goods back, and then he made a terrible time, and said there was forty thousand cigars taken; but whether there was or not I don't know. Miller was his name.

Q. What was the final result of that matter?—A. I don't know anything about that.

Q. You don't know, then, whether he ever got any part of the forty thousand cigars or not?—A. No, sir; I don't know anything about it.

Q. Do you know anything about his claim; whether it was well founded or not?—A. I don't. I know there were a great many cigars taken by the parties in possession.

Q. Explain what you mean by taken by the parties?—A. I mean by the parties those who were left in charge; those who were working for Colonel Whiteley.

Q. You mean they appropriated a good many of those cigars to their own use?—A. Yes, sir.

Q. How do you know that?—A. Because I saw it.

Q. Now, to what extent did that appropriation take place in that particular instance?—A. I know one man who took thirteen hundred.

Q. Out of Miller's lot of cigars?—A. Yes, sir.

Q. Then have you, or not, some reason to think that his complaint was well founded?—A. I have reason to think it was well founded.

Q. Who took the thirteen hundred cigars?—A. One of Colonel Whiteley's men.

Q. Do you remember his name?—A. I know it.

Q. Do you know any of the officers who appropriated any quantity of the same cigars?—A. No, sir; only what I have heard.

Q. Where did this appropriation take place; at Miller's store or at your office?—A. At Miller's store.

Q. Were the cigars removed from Miller's store to your office?—A. No, sir.

Q. They were left there?—A. Yes, sir.

Q. Did they remain there until the case was disposed of finally?—A. Yes, sir.

Q. In charge, I presume, of a revenue officer?—A. Yes, sir; after the second day.

Q. The revenue officer was substituted in place of Colonel Whiteley's officers?—A. Yes, sir.

Q. You don't know whether, after the revenue officer took charge, any of the cigars disappeared improperly?—A. No, sir; I don't know anything about it. I never was in the place but once, and then but ten minutes.

Q. Generally speaking, what was the class of people among whom you made these seizures; were they humble or timid people?—A. Some of them; they were all classes that were in the business; most of them Germans.

Q. Well, as a rule, were they generally glad to get out of the scrape without asking too many questions?—A. Yes, sir; as a general thing they were pretty well satisfied to pay \$200 or \$300, and get out.

Q. But where their property was not returned to them, what then?—A. Sometimes they would make quite a little time about it, around the office, but that is all it would amount to; the chief wouldn't give it to them; he would say the Government had a right to it, because it wasn't properly branded, stamped, or labeled, or whatever it was.

Q. I understand you to say that the colonel didn't always observe the right of the Government to the property?—A. No, sir; he used to say the Government didn't care anything about those things, and he might as well give them away as not.

Q. Was he rather generous in that way?—A. Yes, sir.

Q. Now, is there any class of goods besides cigars that you wish to speak of further?—A. Well, there is a case where I seized myself, personally, a lot of Scotch whisky. I have a check in my pocket which paid for one cask of it, [handing check to committee.] I was foiled in that by the custom-house officers; I don't know why, unless it was a little jealousy.

Q. This is a check on a bank for \$170, signed by W. McKenzie.—A. That paid for the whisky.

Q. Give the committee a history of that case.—A. This was a pretty big smuggling

affair. The ship had gone out before I got tidings or wind of the whisky; and she was smuggling silks, umbrellas, and a great many things. I got enough to fasten the ship on the purser. The purser was the man who sold the goods—smuggled or disposed of them here; I presume he smuggled them. I got a warrant for him on an affidavit of McKenzie, through whom I found the goods. Some way or other, it got to the custom-house. After it got to the custom-house this custom-house officer went to the company—this is upon information; I don't know anything about it—went to the company and told them they had better leave this man home after that trip.

Q. Leave him home or alone?—A. Leave him home and come here to this port without him; that there was a warrant awaiting him for smuggling whisky. So the consequence was, we never got the parties and never got the ship.

Q. Well, what was the extent of the smuggling that was attempted or accomplished by the ship?—A. Thousands of dollars; I couldn't say how much. I got about \$700 worth of stuff.

Q. State what kind of merchandise you got hold of.—A. It consisted of Scotch whisky, the whole of it.

Q. How many casks were there, and how did you seize them?—A. There were two casks. One I seized in Brooklyn, and one at 19 Beekman street, at McKenzie's store. The other I seized on Myrtle avenue, Brooklyn, and was a large cask.

Q. Was McKenzie, in whose possession you seized one cask, a maker of that check?—A. Yes, sir.

Q. How did that check come into your possession?—A. McKenzie gave it to me as evidence.

Q. Showing his innocence?—A. No, sir; to show he bought this whisky of the purser of the ship. I got it for evidence.

Q. The check is made payable to Malcom or bearer; who is that?—A. The purser of the ship. The ship belonged to the Inman line, I think.

Q. And McKenzie bought the whisky direct from him?—A. Yes, sir.

Q. How was that smuggled through?—A. I don't know anything about that. I never found it until I found McKenzie. It would be hard for me to tell how it was smuggled through, but it was, though.

Q. This case you didn't hear of until after the ship had left the port?—A. I never got any of the stuff until after the ship left port.

Q. Did you get on the track of the facts before she left port?—A. I think so.

Q. Why wasn't Malcom, the purser arrested before she left port?—A. I told you the ship was gone before I got any of the stuff, or knew where it came from.

Q. You didn't get hold of that check before that?—A. No, sir; nor the first lot of whisky before she left port.

Q. In whose possession did you take the cask?—A. It was in a drinking and cigar store, on Myrtle avenue, two doors from Prince street, I think. There is a warrant now over in Brooklyn for him. I arrested him.

Q. From whom did you learn that a custom-house officer interfered to prevent the return of Malcom to this country?—A. From Mr. McKenzie.

Q. The purchaser of one of the casks?—A. Yes, sir; he was the witness in the case, and he is the man who made the complaint.

Q. In your office?—A. Yes, sir. He made the complaint before the United States commissioner.

Q. Upon that complaint a warrant was issued?—A. Yes, sir.

Q. Was that warrant issued to you for service?—A. Yes, sir.

Q. You found two of the casks, but you failed to find the purser?—A. Yes, sir.

Q. Was there any other interference of the custom-house with that case?—A. Not that I know of. They stopped it; there was no need of any more.

Q. You say the smuggling was done to the extent of a thousand or thousands of dollars, did you say?—A. The probability is that it was thousands. In that particular case, all I got was six or seven hundred dollars worth of the goods, which was enough to hold the ship. Five hundred dollars worth of goods will hold a ship, you know.

Q. Was the case ever prosecuted; do you know?—A. No, sir. How could they prosecute it when they couldn't get the man? The man is in England or Scotland, and we are here.

Q. The ship was liable for the act of her officer?—A. Not unless we could get the man.

Q. That is your understanding of the law?—A. Yes, sir.

Q. From whom did you receive that understanding?—A. From the chief.

Q. The result was that no prosecution was ever set on foot?—A. None at all; it was set on foot, so far as the warrant was concerned.

Q. I understand that; but I mean a prosecution in court.—A. It never went into court.

Q. If so large a quantity was smuggled at that time, how was it that it all escaped detection except the two casks that you seized?—A. That is all I seized.

Q. What became of the two casks?—A. I don't know.

Q. You don't know what you did with them?—A. Yes, sir. I took them to Hiram C. Whitley's, 57 Bleeker street.

Q. What was done with them there?—A. They were put in the middle office; I don't know what became of them after that.

Q. The middle office, on the first floor?—A. Yes, sir.

Q. How long did they remain there, so far as you saw?—A. I don't know; they may have been there a month, for all I know, and they may not have been a week.

Q. Did they finally disappear?—A. They went.

Q. Do you know where they went?—A. No, sir.

Q. Were you ever called as a witness in a court, or before the commissioner, about them?—A. No, sir.

Q. Nor at any time after you seized them?—A. No, sir.

Q. You were seizing-officer, were you not?—A. I had the authority.

Q. You were the officer that actually seized them?—A. Yes, sir.

Q. You would naturally be a witness in the case if the case was ever prosecuted in court?—A. There could have been no other, and there was no other.

Q. Did you ever call the matter to Colonel Whiteley's attention at all?—A. Yes, sir. We had to report everything we ever did, every week.

Q. That was your official report?—A. Yes, sir.

Q. Did you ever call his attention to it otherwise?—A. No, sir; I don't think I did. I think I did once. I asked him what became of the whisky; I forget what remark he made. I said I ought to have had a piece of that whisky. "Well," he says, "we ought to have a piece of a good many things that we don't get," or something to that effect. I don't know anything about where the whisky went; whether he did or not I don't know; of course he must have known something about it.

Q. Why did you say to Colonel Whiteley that you ought to have a piece of that whisky if the case had gone into court?—A. Because half of it would belong to me as moiety.

Q. Understanding you were entitled to a moiety of that whisky, why didn't you follow the matter up?—A. Well, I didn't think it worth the while. If I had got my moiety I would have had but very little of it anyway.

Q. How much would that moiety have amounted to?—A. It would have amounted to \$50 or \$60; that is, after I had divided it up.

Q. How would you have had to divide it up?—A. Well, we were compelled to divide everything we made.

Q. With whom?—A. The chief wanted a piece; he wanted the biggest slice of it.

Q. Then you were not allowed to have your moiety to yourself?—A. O, some little moieties he never bothers about, but the majority of them he wants the biggest part of.

Q. Why did the men submit to that demand?—A. Because our bread and butter was at stake. They had to either submit to it or get out, I suppose. That is the reason I did, I am frank to say.

Q. You had either to yield up your allowance to him or give up the office?—A. That is it, exactly.

Q. By whom were you appointed?—A. I was appointed by the Treasury Department.

Q. On whose nomination?—A. His. The way I came to go there, I arrested a party for counterfeiting, and Colonel Whiteley wanted me to go right to work for himself; having already arrested this party and got the evidence dead on him, he wanted me to go to work for him, and, as I was doing nothing, why, I went.

Q. He was pleased with the manner you executed that business?—A. Yes, sir.

Q. He sent your name on, and you were appointed?—A. Yes, sir. I got my commission in January. That was the first commission I ever held from the Treasury Department. There is the notice of my appointment. [Handing paper.] The paper is as follows:

"TREASURY DEPARTMENT,
"SOLICITOR'S OFFICE, SECRET SERVICE DIVISION,
"Washington, December 30, 1870.

"SIR: The chief of the division directs me to inform you that in consideration of the faithful performance of your duties during the past, he has increased your salary from \$4 to \$5 a day, to take effect January 1, 1871.

Very respectfully,

W. FERD. CUNZ,
Auditing Clerk Secret-Service Division.

A. C. BEATTY, Esq.,
Assistant Operator, 57 Bleeker Street, New York.

Q. Had you any written notice of appointment previous to that?—A. Yes, sir; one from Colonel Whiteley. That is the first one I got from Washington; after I got that I got my appointment and a certificate.

Q. Have you got those papers?—A. No, sir; it was a large certificate, right from the Treasury Department.

Q. What was it—a certificate of appointment, in the usual form?—A. Yes, sir.

Q. On a large sheet of paper?—A. It was printed. Well, it was on a large sheet of paper, with the Treasury marked on it.

Q. Have you got it at home?—A. No, sir; I turned it in to Colonel Whiteley when I left.

Q. Have you got the written notice from Colonel Whiteley of your appointment in the first place?—A. No, sir; that is worn out; I have any number of notices from Colonel Whiteley, of different things. I have kept them, because I thought that I maybe might want to use them; there are orders of different kinds, you understand. There is one. [Exhibiting.]

Q. Are these orders in writing or printed?—A. They are written orders, sent to each man. Each man receives an order of that kind.

Q. The paper which you have just handed me contains rules for the regulation of your conduct?—A. Yes, sir.

Q. In writing?—A. Yes, sir; we always get written orders. There are two others.

Q. This second paper that you have shown me is a written circular from Colonel Whiteley, containing regulations required as to weekly reports of operatives?—A. Yes, sir.

Q. In the first circular which you have handed to me, and which appears to be a copy, and is by order of Colonel Whiteley, approved by Mr. Banfield, Solicitor of the Treasury, I find some language to which I desire to call your attention. The first rule is as follows: "The operatives, when assigned to any district, will be designated chief operative, and will have exclusive control of all the official business of the division, under the direction of the chief thereof, within the limits of said district." What do you understand by the words "all official business in the division?"—A. All the business that comes under the division, and all men in that district. For instance, a man is sent to Boston with two or three men, and whoever it is assigned to, he has charge of all official business in that district. The same with Philadelphia, Pennsylvania, District of Columbia, and New Jersey.

Q. It means, then, all business and all matters which are brought within the district of Colonel Whiteley?—A. Yes, sir.

Q. Rule 3 is as follows: "All persons employed, but not as assistants, will be designated informants, whose duty it shall be to seek information, and report to such officer as they may be assigned to. They will under no circumstances be allowed to report themselves as officers of this division, or make their business known in any way connected therewith. No person who has been convicted of any crime against the laws of the land can be employed as a regular informer." Do you understand that a person convicted of crime might be employed as an informer, although not a regular one?—A. I know they are.

Q. And a person charged with crime, but not convicted, may be employed a regular informer?—A. I presume so. I know that men who have been getting more money or pay than I do, who are now doing their time in Sing Sing prison.

Q. How is that?—A. I know a man who was getting more pay than I was when I was there, who is now doing a time in Sing Sing.

Q. Who is that?—A. Andrew J. Whitman.

Q. For what?—A. Grand larceny.

Q. He was sent to State prison for grand larceny?—A. Yes, sir; and his character was well known when he was there. I knew it, and refused to work with him.

Q. Did you notify Colonel Whiteley of that?—A. Yes, sir. And at one time he told me to go with Whitman and do a particular job. I told him I wasn't a thief, and didn't keep thieves' company, and if he wanted some one to go with Whitman he must get somebody else, because I wouldn't go.

Q. Did Colonel Whiteley, upon that, insist upon your going?—A. No, sir; he sent me on another job, and he sent somebody else with him. I was to make an arrest.

Q. Did he continue Whitman in his employ?—A. Yes, sir; for months afterward.

Q. Was the larceny for which Whitman is in State prison while in the pretended course of his duty as an officer?—A. I think it was a week after he was discharged, or two weeks; it was a very sort time, however.

Q. Did you call Colonel Whiteley's attention to the fact of the appropriation of thirteen hundred cigars by his officer in charge there?—A. No, sir; I didn't know it until after I left; that is, I didn't know how many there were taken.

Q. You know the fact that there was an appropriation before you left Colonel Whiteley's office?—A. Yes, sir.

Q. Do I understand you to say that was, upon the whole, the extent to which cigars seized and brought to the office in Bleecker street were appropriated by the officers, from Colonel Whiteley down, and by friends and acquaintances and policemen as they happened to come in?—A. O, yes, and a good many of them were sent to Washington.

Q. Sent to Washington?—A. Yes, sir; a good many sent to Washington, to my own knowledge.

Q. Well, were the poorest selected for that purpose?—A. I should say not.

Q. You say, to your knowledge, they were sent to Washington?—A. Yes, sir; there were a good many of them sent to Washington, to the Treasury Department.

Q. How long did that practice continue while you were in the office?—A. All the time I was there. Mr. Banfield used to get a good many, and also Mr. Cunz used to get a good many—in fact, all the clerks. Mr. Banfield is a very good smoker when he gets a good cigar.

Q. What class of cigars were generally sent there?—A. The best we could get—the best we had—sometimes it was the Henry Clays, sometimes Partagas, and sometimes other brands. There are a good many brands of cigars.

Q. Did that take place to any particular extent?—A. I don't know to how large an extent. There were quite a good many cigars went that way; they didn't get the whole of them, it wasn't quite likely.

Q. If they didn't get the whole of them sent to Washington, who did?—A. I don't know.

Q. Now, sir, did you ever call the attention of Colonel Whiteley to the practice, so improper, as you have described, of the miscellaneous appropriation of these cigars in indefinite quantities by individuals and officers?—A. No, sir; it was none of my business. He would almost invariably give them away himself. If he was there he would.

Q. Is it your judgment that he was perfectly well aware of the practice?—A. I know he was aware of it, because he would give them away himself.

Q. Did he generally select the poor ones?—A. Colonel Whiteley?

Q. Yes, sir.—A. He wasn't much of a smoker. Once in a while he would smoke half a dozen, if he got hold of a good lot.

Q. Whenever he got hold of a good lot?—A. He would sometimes then smoke a cigar; he wasn't much of a smoker; I might have seen him smoke fifty cigars, and perhaps not so many.

Q. During the whole time you were there?—A. Yes, sir. All the time I was there these men smoked all the time, the majority of them; I suppose, in the year I was there, by the men that were there, there were one hundred thousand cigars smoked.

Q. You mean by the men in the office?—A. Yes, sir.

Q. Or the friends and acquaintances outside?—A. The men that belonged there.

Q. And how much do you suppose went to the friends and acquaintances and policemen on the beat, and so on? I won't say anything about the reporters.—A. Probably fifty thousand more.

Q. Fifty thousand more?—A. I shouldn't wonder; that isn't saying anything about the reporters.

Q. Were those cigars mostly such as were seized under the internal-revenue law?—A. They were mixed—some smuggled and some seized under the revenue law. They almost always take the good ones, when they have good ones, and take them out and put the old ones into the boxes. I know that to have been done twice.

Q. To whom do you refer in that statement?—A. Colonel Whiteley's men, and to the clerks there. They are the men who always repack the cigars, and have charge of them with Colonel Whiteley himself. The men outside had no jurisdiction over the cigars that were in the office; after they were delivered there, that was the last they had to do with them.

Q. In the office, you say, the practice was, in packing and unpacking cigars, to reserve out the best cigars and supply their places by poor ones?—A. Yes, sir.

Q. Was that a regular practice?—A. Yes, sir. One place seized on Reed street had thirty thousand cigars, and they were not worth more than \$15 or \$16 a thousand. I noticed they all went in good boxes.

Q. Please repeat that statement.—A. At a place we seized on Reed street they had thirty thousand cigars—I don't know exactly the number. I noticed they all went out of the boxes they were originally packed in, and went into boxes that good cigars had been in.

Q. Boxes which had been emptied of good cigars that had been taken, and the poor cigars put in their places?—A. O, yes. I think some of these cigars went down to auction—somewhere down town; that is what I heard.

Q. You mean the good cigars taken out and the poor ones put in?—A. I mean the poor ones; I don't mean to say that any of the good cigars went away. I think one hundred and eighteen thousand cigars went in one lot, but I don't know where. There was a return made, I think, to the chief of \$18.50 for the lot of cigars. Now, I won't pretend to say how many it was, but it was a good many cigars.

Q. Do you mean an account of sale from the auctioneer?—A. I do. I think it was from the collector. I think those went to the collector.

Q. Do you mean the collector of the port?—A. Yes, sir. I think \$18.50 was returned for that lot of cigars, after the expenses were all deducted.

Q. Can you state, now, the number or quality of that lot of cigars?—A. I couldn't

tell anything about it. I was a large lot of cigars. I am satisfied it was over fifty thousand, and it may have been over one hundred thousand.

Q. Do you wish to be understood as saying that that was not a fair return of the account-sales, or that expenses and charges eat the whole thing up?—A. I don't know anything about it, and can't say anything about it; it might have been a fair return, the cigars not being worth much and the expenses eating the proceeds up; I don't know anything about it.

Q. Was that the case where poor cigars had been substituted for much better ones?—A. I am satisfied there were some in that lot.

Q. You have testified, now, as to cases of diamonds, cases of cigars, and cases of whisky. Are there any other cases which you wish to speak of to the committee, either of the different class or of the same class you have mentioned—cases in which abuses occurred in the bureau of Colonel Whiteley?—A. Yes, sir; there is one more that I would like for this committee to know.

Q. Go on and state it?—A. That is concerning a counterfeit-plate on the Shoe and Leather Bank.

Q. A counterfeit bank-note plate?—A. Yes, sir. I captured that plate in New Jersey, and Colonel Whiteley says to me, "Beatty, you can make some money out of that plate."

Q. How is that?—A. He says, "Beatty, you can make money out of that plate;" I says, "Tell me how, I want every cent I can get." He says, "I will go to the Shoe and Leather Bank and represent that you had a good deal of trouble in getting this plate, and the probability is that they will make you a present of a couple of thousand dollars, and you and me will divide it." I says, "All right;" he went to the bank and represented to the bank people and represented that I had worked for five or six months and had spent a good deal of my own money; that the Government could not pay me, and recommended them to make me a handsome present. The cashier of the Shoe and Leather Bank swore to that in the Joshua D. Miner case.

Q. Well, what occurred after that?—A. That is what occurred.

Q. Did you get the present?—A. I did.

Q. What was the amount of it?—A. One hundred dollars.

Q. Did you keep the whole of it?—A. I should say so; that was after I had left Colonel Whiteley that I got that. There is an explanation which I wish to make here. In capturing this Shoe and Leather bank-note counterfeit-plate, I was not two hours, to his knowledge, in doing it. All I had to do was to take a check from his hand and go to Rutherford Park, New Jersey, get the plate and trunk and come back again.

Q. That isn't more than twenty miles from here?—A. It is eight miles from Hoboken.

Q. You say he made such representations as you have described, exaggerated and false, to the officers of the bank?—A. Yes, sir; and to the newspapers. The newspapers came out with a terrible report the next day, that I had shot somebody to get the plates.

Q. Had you any trouble when you got there?—A. I had to hand my check to the baggage-master, and he gave me the trunk, and I came back directly.

Q. You really acted in that particular case as an express-messenger?—Yes, sir.

Q. Did you know what representations Colonel Whiteley made to the bank in regard to your services?—A. Yes, sir; I heard every word of it.

Q. One moment—do you know, from your own knowledge, what his representations were?—A. Yes, sir; because I sat and heard very word.

Q. Every word of what?—A. His conversation with the cashier of the Shoe and Leather Bank.

Q. You went there with him?—A. Yes, sir.

By Mr. PRATT:

Q. You assented to it all?—A. Of course, I did.

By Mr. CASSERLY:

Q. It wouldn't be good manners in you to contradict your chief on such an occasion?—A. He told the story with his own free will and accord to suit himself.

Q. The scheme didn't originate with you at all?—A. No, sir.

Q. It originated with him?—A. Yes, sir.

Q. I mean the scheme of giving an exaggerated account of your duties?—A. Certainly; that is what he proposed to me.

By Mr. PRATT:

Q. Will you please repeat what Colonel Whiteley said to the officers of the bank in your presence?—A. I can't begin to think of it all. He talked there for an hour, telling them what a terrible time I had in getting that plate; that I had worked four or five months and spent a great deal of my own money; that the Government couldn't refund me; that it was beyond his power to refund me; that he was going to make

me a handsome present, and he thought the bank ought to do the same thing. The cashier of the bank gave me a \$100 note.

Q. Immediately then or some time afterward?—A. No, sir; I think that was in February, and he gave me the \$100 note in May.

By Mr. CASSERLY:

Q. Of what year?—A. 1871.

Q. Was the counterfeit a dangerous one?—A. Yes, sir; it was. It was the most dangerous counterfeit, I suppose, that was ever in this country. It was the same one that was on the Market Bank of New York, and the Oneida Bank of Utica. The Shoe and Leather Bank of New York, and two or three more banks of New York. The center was taken out so that they could insert any name.

Q. The circular you presented here, you received during your period of office?—A. Yes, sir.

Q. Is there anything else that you think of now that is necessary to be mentioned?—A. Well, I could mention a good many things, but I don't know that it is necessary, and I don't think it is. There are a great many transactions and a good many things done around at 52 Bleeker street.

Q. Well, let me ask you this: do you know of any cases where any undue or unfair means were resorted to, either to obtain information from clerks or employes of tradesmen or merchants, or to extract it from the parties themselves?—A. Do I know of any?

Q. Yes, sir.—A. Yes, sir; a good many.

Q. Is there any practice in the office of bribing employes and clerks of merchants, or other employes, to disclose the secrets of business?—A. Not that I know of—not that I am aware of.

Q. You don't know of any case of that kind?—A. No, sir.

Q. Do you know of any case of threats or artifices resorted to for the purpose of extorting confessions from parties charged, or of inducing them to make settlements?—A. Yes, sir.

Q. State a case or two of that character.—A. They were principally in counterfeiting. I said to make settlements—I never knew of a case; there was a good deal of talk about this Ratcliffe—about Colonel Whiteley advising him to settle; but I don't know anything, of my own personal knowledge. If you will subpoena Commissioner Osborne he will tell you more about this case than I can.

Q. About Colonel Whiteley?—A. He can give you more light than I can in certain cases. He can give it to you as it occurred.

Q. You think, in leaving out counterfeiters, you can't testify in any case in which improper means were used in the office to obtain confessions from parties charged, or to extort settlements out of them?—A. Well, I have heard of several, but I don't know of any of my own personal knowledge.

Q. Were they cases that were known and understood in the office?—A. Yes, sir; there was one cigar case in particular.

Q. State the particulars in that case.—A. It was a case in which we found some cigars and cigarettes on Second avenue. I disremember the man's name now, but I have it on my books somewhere. We seized the goods, brought them to the office, seized his store, or wanted to seize his store. In that case the man was a Mason, and there was another certain man in the office who was a Mason.

Q. A Free-Mason, you mean?—A. Yes, sir. He went in to get him to settle it.

Q. Now, you mean the person in the office undertook to get the man to settle it?—A. He was the deputy chief.

Q. Was he the person who undertook to get the other to settle it?—A. Yes, sir; and he received part of the moiety. The man settled it by paying \$500, and he received his moiety. He received one-third of the moiety, Colonel Whiteley a third, and I a third. I did the work.

Q. Was there anything improper or wrong done by your fellow-officer in bringing about that settlement?—A. I should think there was.

Q. Well, state it.—A. He told him his store was liable, but his store was no more liable than yours was, if you had one, because the goods was in his own private residence. I got the goods out of his own private residence, and searched his store and found nothing wrong in it.

Q. Was anything else stated to alarm or intimidate him?—A. I don't know what was said to this man; there was a good deal said. The man was nearly crazy to get money to settle it.

Q. And he did settle it?—A. Yes, sir; he did settle it, and paid \$500.

Q. What was the extent of the seizure which you made?—A. I think there was about fifteen thousand cigarettes and about one thousand cigars. I won't be positive; there may have not been over six hundred cigars.

Q. What was the total value?—A. I don't know.

Q. What became of the goods?—A. They went with the rest.

Q. Appropriated in the office?—A. Yes, sir.

Q. So the result of that case was that the man was induced to pay \$500 in money upon a representation which, I understand you to say, was unfounded, and his property went in the usual way?—A. Yes, sir.

Q. It was appropriated in the office?—A. Yes, sir. This man keeps a cigar store under La Fayette Hall, down on Broadway.

Q. You are speaking now of the same man?—A. Yes, sir; that is, he did a short time ago, and I suppose he does now.

Q. Is Colonel Whiteley still in office?—A. Yes, sir, if he has not been removed within a day or two.

Q. Did you state the precise day you left the office?—A. I quit the employ April 15.

Q. April, 1871?—A. Yes, sir.

Q. That was but a few months after that notice?—A. I got my commission on the 1st day of January. Before that I was working under his written commission. I got my commission from Washington about the 3d or 4th of January. It was sent on the 1st. The paper I presented is simply the notification of my appointment.

Q. Then I understand you that on December 30, 1870, you had a notice from the Solicitor's office in the Treasury Department at Washington, that in consideration of the faithful performance of your duties, your salary was increased from four dollars to five dollars a day?—A. Yes, sir.

Q. And in April following you left the office of Colonel Whiteley?—A. Yes, sir; on the 15th of April I left the employ of the Treasury Department.

Q. Did you resign, or were you removed?—A. Well, we had a little fuss, and I was discharged, or told my services were no longer required. I knew too much about this man. There were seven men discharged at the same time.

Q. What was the charge assigned, if any, by Colonel Whiteley?—A. He never assigned any.

Q. Did he accuse you of any shortcoming in the discharge of your duties?—A. No, sir.

Q. You had then, I understand, a personal falling out with him?—A. Yes, sir; I had a personal falling out with him.

Q. Did he discharge you immediately upon that?—A. Yes, sir; he accused the men of doing something, and wrote a discharge for all of them; there were five of them in all. I had a notice among the rest. I applied to him and asked him what it meant. He said, "You know what it means." I says, "I have never been guilty of anything since I have been in this office." He says, "You know all about this." I said, "I didn't, but wanted to know." I asked him for information, and that was all I could get from him.

Q. Do you know what he did have against you?—A. Yes, sir; I knew what the men were discharged for.

Q. What was it?—A. There was some two hundred and odd bottles of wine seized, and the men took four or five bottles apiece, all of them, barring myself. I staid in the wagon myself and handed it to the men to take into the office until all the wine was taken out. He accused me of taking four or five bottles of wine, which I was not guilty of. I could have gone to work for Colonel Whiteley the next day, but I was a little spunky.

Q. Why didn't you go?—A. I was a little spunky, and didn't care about working for him. I thought I could do as well for myself, and I have done better.

Q. What way have you done better since?—A. I have been a private detective.

Q. In the employ of any particular person, or body, or corporation?—A. I am in the employ of anybody who will pay me.

Q. You find that has paid you better than your office under Colonel Whiteley?—A. Yes, sir; and I have got no bosses.

Q. In view of the facts which you have stated in regard to the practice of appropriating cigars to such an extent, what was there about this wine transaction to cause Colonel Whiteley to make a disturbance about it?—A. He said the wine wasn't settled up; that the case wasn't settled up. He said he didn't care anything about the wine. If they had waited until the case was settled they could have had it all, as far as he cared.

Q. What he objected to was their taking the wine before the question of the right to make the seizure was settled?—A. Yes, sir.

Q. You say positively, so far as you were concerned, you never had any of it?—A. I never had the first piece of a bottle. It was handed loose in a wagon, in straw, and I staid in the wagon and handed it out to the parties to take it up-stairs, until every bottle was out; then I went into the house.

Q. He never would tell you what the charge was against you?—A. No, sir. I got angry right away, and we had some words, and I never bothered him any more, or went near him. I went to the clerk and got my money.

By the CHAIRMAN:

Q. How long were you in the service?—A. I was there from fifteen to eighteen months.

Q. How many were engaged with you, or in connection with you, in the same service?—A. That I couldn't tell you.

Q. How many would you think?—A. I couldn't tell anything about how many there are in the same service. I think there were four beside me in the secret service in New York, and sometimes five or six.

Q. Were you familiar with the course that each one pursued?—A. No, sir.

Q. Did you have any knowledge of that?—A. No, sir.

Q. Were you interested mutually in the result of the seizures?—A. No, sir.

Q. Did you have no part of the proceeds of the seizures of any other detective?—A. No, sir.

Q. Nor they from you?—A. No, sir.

By Mr. BAYARD:

Q. Did you ever have any knowledge of the sales of unclaimed goods at auction; did you ever attend one?—A. No, sir.

Q. You know nothing about that?—A. No, sir.

By Mr. CASSERLY:

Q. I judge from your testimony that you are well known in Brooklyn?—A. Yes, sir; I have lived there thirty-three years.

Q. And well known among respectable people?—A. Yes, sir.

Q. Manufacturers and merchants there?—A. Yes, sir; and politicians.

By Mr. PRATT:

Q. I want to understand a little better than I do the constitution of the secret-service division, of which Colonel Whiteley was and is chief. Did I understand you to say that he is an inspector of customs?—A. I do, sir.

Q. He is then a custom-house officer?—A. He is, sir.

Q. When was this secret-service division organized?—A. I don't know, sir. Colonel Wood, of Washington, was the former chief.

Q. How long has Colonel Whiteley been chief of that division?—A. Well, about three years, I think.

Q. By whom was he appointed chief?—A. By the Solicitor of the Treasury, I think, sir, but I don't know.

Q. Does he receive any other compensation besides that of inspector of customs?—A. I don't know as he receives anything for inspector of customs. He receives his salary as chief of the secret-service division.

Q. I understand you to say that he was and is an inspector of customs?—A. I say so.

Q. Is there any compensation attached to that office?—A. Not to my knowledge.

Q. Does he perform any duties as inspector of customs?—A. He makes seizures.

Q. He makes seizures of smuggled property?—A. Yes, sir.

Q. And seizes goods for the violation of the internal revenue law?—A. Yes, sir.

Q. Does he perform any other duties?—A. Not to my knowledge. I don't know anything about as to what duties he does perform.

Q. How do you know, then, that he is inspector of customs?—A. Because I went with him when he got his appointment at the custom-house.

Q. How long ago was that?—A. I think it was a year ago.

Q. It is since he was appointed chief of this secret-service division?—A. Yes, sir; a long time after. He got the appointment on purpose to make seizures—to give him seizing power.

Q. Had he no authority of seizing until he was appointed inspector of customs?—A. No, sir.

Q. Didn't you exercise the power before that?—A. Yes, sir. All of us used to do that, but we had no authority. We used to arrest without warrant, but we had no right.

Q. You exercised, then, the authority of seizing property and arresting people without any authority of law?—A. Yes, sir.

Q. Until he was appointed inspector of customs?—A. Yes, sir; and after that, too.

Q. Now, I want to know what subordinates he has in his office, as chief of this secret-service division?—A. He has three male clerks and one female clerk. Those are all that are in the office. He had that number when I left.

Q. Four altogether?—A. Yes, sir.

Q. Has he any other subordinates besides those four clerks?—A. Those men who are under him; who work outside.

Q. Who are they?—A. W. Kenrick is one, William Butts another, and C. N. Casey another. I don't know whether they are there now or not. There were six while I was there.

Q. What is the title of their office?—A. Operatives.

Q. Is that their leading designation?—A. Yes, sir.

Q. Operatives of the secret-service division?—A. Yes, sir.

Q. Who appoints these operatives?—A. Well, when they are assistant operatives they are appointed by the chief. When they get to be operatives they are appointed by the Solicitor of the Treasury.

Q. Who is the chief operative?—A. Hiram C. Whiteley.

Q. That is the title, then, of his office?—A. He is the chief.

Q. He is the chief operative of the secret-service division?—A. Yes, sir.

Q. And these men that you have enumerated are his assistants?—A. Yes, sir.

Q. You were, then, an assistant operative?—A. Yes, sir. About the 4th of January I got my commission, and then I was classed as an operative.

Q. I understand you, then, that the chief operative is the head of the division?—A. He is the chief of the operatives.

Q. Then how many operatives are there, and how many assistant operatives?—A. Well, I believe when I first went there there were five in New York, and when I left I think there were six.

Q. Do you mean operatives, or assistants?—A. Operatives.

Q. And how many assistants?—A. Well, there may have been four or five in New York. Outside of New York I don't know how many there were; there were a good many.

Q. But the operatives, as well as the assistant operatives, derive their appointment from the Treasury Department?—A. The operatives derive their appointment from the Treasury Department, but the assistants don't.

Q. By whom are the assistant operatives appointed?—A. By the chief.

Q. You were, then, an assistant operative?—A. Previous to the 1st of January.

Q. And derived your title from Colonel Whiteley?—A. Yes, sir; previous to the 1st of January, 1871.

Q. Now, I understand the jurisdiction of this bureau was to look out for frauds generally upon the revenues of the Government, and likewise for counterfeiting the plates of national bank notes and of United States Treasury notes?—A. Yes, sir.

Q. And to look out for counterfeiters likewise?—A. Yes, sir.

Q. And to seize smuggled goods, and to arrest those concerned in smuggling?—A. Yes, sir.

Q. Is that a general enumeration of the duties of the office?—A. Yes, sir; everything where frauds are committed on the Treasury.

Q. Now, to whom does the chief of this division make a report?—A. To the Solicitor of the Treasury, Mr. Banfield.

Q. Then he wasn't responsible at all to the custom-house authorities?—A. No, sir.

Q. There was no connection between his office and the custom-house?—A. As far as the seizing power, I don't know anything about that; that is something I don't know anything about, because I hadn't anything to do with it. I know he made his report to Washington, but whether he did also to the custom-house, I don't know.

Q. You know there is in the custom-house a room called the seizure-room, where the custom-house authorities deposit all goods seized?—A. I have heard there was; I don't know it.

Q. Were any of the goods seized by your division ever sent to the custom-house rooms?—A. Not to my knowledge.

Q. You may describe what suit of rooms Colonel Whiteley had to carry out his operation and storing the property that was seized?—A. Well, he had three rooms on the first floor in 57 Bleeker street. The center room was about as big as that entry or wash-room there, [indicating:] the back parlor was a large parlor, and the front room was another large parlor, with closets. Then he had a private office back; he had four rooms where he now is—57 Bleeker street; he has a front office, a rear office, a private office, and what he calls a store-room.

Q. Do I understand you to say that all the property that was seized was brought to one of these rooms and stored for the time being?—A. Yes, sir; all that I knew anything about.

Q. Is there any distinction in duties between the operatives and the assistant operatives?—A. O, yes; the assistants had no power to arrest; he wouldn't allow them to arrest or seize.

Q. Can the operatives do both?—A. He would allow them to do both; I used to do both. We had no right.

Q. Then the operatives had no more power than the assistant operatives?—A. No more power than any individual has.

Q. Admitting that to be the case, now, I want to know the distinction in the official acts of the operatives and the assistant operatives?—A. He would allow the operatives to make arrest, and to seize goods, and the assistants he wouldn't.

Q. What were the assistants employed in?—A. In collecting information, and so on

Q. They were in the nature of detectives to gather the necessary information upon which to make seizures and arrests?—A. Certainly.

By Mr. BAYARD:

Q. After he was commissioned an inspector he had the right to make seizures?—A. Yes, sir.

Q. He then attempted to delegate that power to you, to make seizures in his absence?—A. No, sir. When we found any goods that were contraband, we would take them.

Q. You had no legal authority?—A. None at all; he used to do it himself previous to his getting the appointment.

Q. These arrests and seizures were made in his absence?—A. They were made illegally. We had no power to arrest without a warrant. If we have a warrant and are deputized we have a right; so has any citizen. These acts without warrant were all illegal.

By Mr. PRATT:

Q. Then, for more than a year after you received your appointment, you were daily transgressing the law in making seizures and arrests?—A. Yes, sir.

Q. Did you, when you were appointed, give any bonds to the United States?—A. None at all.

Q. You simply took an oath?—A. Not at all.

Q. Never took an oath for the faithful discharge of their duties?—A. No, sir; I never took but one oath, and that was when I went into the Army.

By Mr. CASSERLY:

Q. When was that?—A. In 1861.

Q. Did you enlist in the Army?—A. Yes, sir.

Q. Where?—A. In the New York Eighth.

Q. How long did you remain in the service?—A. As long as the regiment was there, and then I took charge of General Burnside's flag-boat, the Alice Price. I was there nearly two years.

Q. How long were you in the service during the war from first to last?—A. Two years and four months.

By Mr. PRATT:

Q. What branch of the service?—A. I was a private in the New York Eighth; they went for three months, and staid for four months; and then I went down as pilot of the Alice Price, Burnside's flag-boat.

Q. Now to return to the matter on which I was questioning you. When a seizure was made by you, as an assistant operative, of cigars, liquors, or any other property, did you take it to the store of the chief immediately?—A. Invariably.

Q. Did you make a written report, stating from whom you made the seizure, and under what circumstances, describing the property?—A. Invariably.

Q. You made that to Colonel Whiteley?—A. Yes, sir.

Q. Did he cause a record to be made on that report by his clerks?—A. I don't know; I presume those reports are on file at Washington.

Q. The reports describe accurately the amount and kind of property seized?—A. Yes, sir; certainly.

Q. Were those reports forwarded by the chief to Washington?—A. Yes, sir; to the Treasury Department.

Q. Now, what was done with the property besides the appropriation which you speak of, by men about the office—what was done with the bulk of it?—A. I don't know; I never saw a cigar go away from there, except what was taken by parties—having a box or two given them.

Q. Did you visit the office daily?—A. Almost every day. I was on a job two months that I didn't go to the office; I kept under cover; I was working on a bond job, and the parties were in the employ, partially, of Hiram C. Whiteley. I was after them, and I knew they were doing a cross job with some bonds, and I finally got them—Marshall and Crandall. I arrested them with \$15,000 of stolen bonds, going to negotiate them, which they said, and because they were in the employ of Colonel Whiteley as assistant operatives to get information.

Q. With the exception of those two months, did you report pretty generally every day at headquarters?—A. Yes, sir.

Q. There was a great deal of property coming into this store-room?—A. O, yes.

Q. That you undertake to say you never saw go out?—A. None, except this whisky. I helped to get it out, but where it went I cannot say.

Q. It was carried off somewhere, and where it went you are not able to say.—A. No, sir.

Q. Have you any personal knowledge or information where these large accumulations of cigars went to?—A. I said in evidence that there was a large number of cigars, but how many I don't know. I heard, but my memory does not serve me to tell; they went to some sales-room, and there was about \$18.50 for the lot of cigars.

Q. That was the whole result of the sale?—A. That was the whole result of the return made; that they showed me on the book. That is the only sale I ever heard of.

Q. When did that occur—how long after you were appointed?—A. Well, I couldn't tell, but I think it was last winter, some time.

Q. Were the other operatives and assistant operatives as diligent as you in making seizures?—A. No, sir; I did the principal part of that business; in fact, I did pretty much all the work about the office. I had pretty much all the warrants to be served, and if there was any business that required a little care, I had it to do. I was always sent on it. I was sent down the Hook to bring back a bark with a revenue cutter.

Q. Could you give the committee a general estimate of the number of cigars that you seized, from first to last, and took to the rooms of the chief?—A. That I seized?

Q. Yes, sir.—A. Well, I don't know that I could; perhaps a hundred thousand.

Q. Now, how many do you think were seized by other operatives and assistant operatives?—A. Maybe three or five hundred thousand.

Q. That would make upwards of half a million of cigars while you were there?—A. Yes, sir.

Q. Now, I want to trace these cigars, and find out what has become of them, if it is possible. You don't mean that the men about the office, and the policemen, and the friends of Colonel Whiteley, and of the operatives, smoked them all up?—A. I mean to say they smoked a good many; over half of them; and maybe two-thirds, and maybe nine-tenths, for all I can say.

Q. And this was a matter of public notoriety, going on publicly in the office, encouraged by the chief?—A. Yes, sir; I can bring you any quantity of testimony on that point, if you wish it.

Q. What precaution did he employ for the purpose of protecting this property thus seized from depredation, after it was brought to his room?—A. He put it in charge of his chief clerk.

Q. There was no custom-house officer there?—A. No, sir.

Q. This chief clerk was appointed by himself?—A. Yes, sir.

Q. Do you know whether Colonel Whiteley gave any bond to the United States for the faithful performance of his duties?—A. I don't know, sir.

Q. Do you know that he was in the habit of transmitting to the Treasury Department the reports made by his subordinates of the seizures?—A. I know he said so; that is all I know about it. I presume our reports are on file at Washington; they say so; I don't know anything about it; if they are, you can find out to a single cigar.

Q. How is it possible that Colonel Whiteley could have retained his responsible position under the Government if, after making a return of all these seizures, showing the kinds and quality and value of the property seized, he made no subsequent return, showing how they were disposed of?—A. He never made any report to the Government of the quality of the cigars, or the value of the cigars, or anything of the kind. I simply state in our reports, "Seized, so and so, such a day, so many cigars."

Q. Didn't you describe the brands?—A. No, sir; we never did.

Q. So that your report would not indicate whether they were good or poor cigars?—A. No, sir.

Q. Or anything of the quality or brand?—A. No, sir.

Q. But at the same time, how could he make his settlements with the Treasury Department, after he had charged himself in these reports with having received upwards of half a million cigars—how did he discharge himself?—A. I don't know anything about that.

Q. You do not know that he remains in office yet?—A. No, sir; I know he was, a short time ago, and I presume he is yet.

Q. Did every one connected with his office have free access to these cigars?—A. Yes, sir.

Q. They were not locked up in any place?—A. Sometimes they were put in a closet, when they got a choice lot of cigars, but if anybody wanted any they could go and get them.

Q. You say that the operatives, assistant operatives, and the clerks all had free access to these cigars, and carried away and gave away what they pleased?—A. Yes, sir.

Q. Did I understand you to say that the policemen were also gratified with presents of the cigars?—A. Around police headquarters they used to come around and get a box now and then. The police headquarters are right around the corner. I could mention names if it is necessary.

Q. Well, did it occur to you at the time that this thing was being managed right?—A. No, sir; it didn't occur to me whether it was managed right or wrong. He said the Government didn't care about this sort of thing; all it wanted was to stop the frauds.

Q. That the Government didn't care to realize anything from the seizures?—A. Yes, sir; he told me that it didn't care.

Q. Did you believe that to be true?—A. I believed as much of that as of most everything he said.

Q. Were you a smoker yourself?—A. Yes, sir; and I used to have any quantity of cigars then, but now I don't smoke so many because I have to pay for them.

Q. You smoked very freely then, because the cigars were free?—A. Yes, sir; I had always one for a friend, too.

Q. Did you bestow any upon your friends?—A. Yes, sir.

Q. Your idea was that these were confiscated to the office instead of to the Government?—A. That was about the idea.

Q. That was the system of morality that Colonel Whiteley preached?—A. And about what he practiced.

Q. And his subordinates all fell in with that doctrine?—A. I was the first man that seized a cigar in the secret-service division. I started that ball rolling. The first lot of cigars that I got were very fine; they were smuggled and were very fine; I never got a piece of one of them.

Q. Did I understand you to say that so far as your information extends all the Government has ever realized from the seizures of upwards of half a million of cigars is \$18.50?—A. About \$18.50; that is from seized cigars, you understand; but there has been many a dollar paid in by settlements, but whether the Government has received it or not I don't know.

Q. Did the court never take jurisdiction of these seizures—was there never anything in the nature of a libel instituted against the property that you have seized?—A. Not to my knowledge.

Q. Was it never condemned and sold by order of the court?—A. Not to my knowledge, except this large factory that I spoke of, where the man says he lost about forty thousand cigars. Those were libeled.

Q. That is the only libel that you have any knowledge or information of?—A. That is the only one.

Q. No communication was made with the district attorney's office?—A. O, yes; we used to tell the district attorney what we had seized. I would go into a place, for instance, up the street and find a lot of contraband goods. I would take as many as I wanted for evidence—always enough—sometimes one thousand five hundred or two thousand.

By Mr. CASSERLY:

Q. That was for evidence?—A. Yes, sir; those were my instructions.

By Mr. PRATT:

Q. Did you give any receipt?—A. No, sir; my instructions were, also, to take the men.

Q. You arrested the men?—A. Yes, sir.

Q. Without any warrant?—A. Sometimes we would go and get a warrant and sometimes we wouldn't.

Q. Where you arrested the man, without a warrant, before whom did you take him?—A. Before the commissioner, and get a warrant there.

Q. And have that date back to the original seizure of his person?—A. Yes, sir.

Q. How many persons that you have thus arrested have been prosecuted to punishment?—A. I don't know of one.

Q. Were not these prosecutions followed up?—A. No, sir.

Q. What was the reason of that?—A. The papers would be pigeon-holed, or there would be a settlement some way or another.

Q. The commissioner would bind the offender to appear in court?—A. Yes, sir; and sometimes they would lie in jail four or five months and get out somehow or another.

Q. Did the grand jury never find any bills of indictment?—A. Not to my knowledge. I don't know of a case that ever went to a grand jury.

Q. If a commissioner recognized a man, or committed him to jail, it was his duty to send his papers to court so that they should be laid before a grand jury?—A. Certainly, I presume it was.

Q. You don't know a case where the grand jury indorsed the original arrest by finding an indictment against the person arrested?—A. No, sir; I don't know of one.

Q. This seizure of the diamonds, in the Ratcliffe case, went into court?—A. Yes, sir; that went before the commissioner and that was settled. That never went any further than the commissioner's court.

Q. Was Ratcliffe, the man who was arrested there?—A. Yes, sir.

Q. Did you ever understand the particulars of the compromise?—A. I have heard, but I don't know that I can tell exactly. I think he paid four or five thousand dollars.

Q. And was the property forfeited?—A. I think so.

Q. And sold?—A. I think so.

Q. Did I understand you to say that the compromise was made in the usual way, at the recommendation of the district attorney and the Solicitor of the Treasury?—A. Yes, sir.

Q. But as to the other property that you have mentioned, with the one exception stated, you never heard of any proceeding in court, or any condemnation and sale of the property?—A. No further than the commissioner's court. We would invariably take the prisoners before a commissioner. I have arrested a man, the same as to-day at 2 o'clock, and he has settled the case and gone away by half past 3. He has paid his money into the district attorney, or some other parties in the district attorney's office.

Q. Well, you would accompany him to the district attorney's office?—A. Certainly.

Q. And would the settlement be made then?—A. Yes, sir; right there and then.

Q. By the district attorney himself?—A. Or his assistant.

Q. And they would receive the money?—A. Mr. Emerson is the man who generally received the money; made the settlements with the parties.

Q. Now, can you give the committee a case or two to illustrate this practice, and give the committee the name of some person whom you remember to have arrested and taken before the district attorney, and it was settled?—A. My memory is very treacherous, but I think I can tell you one man. [After referring to book.] Openheimer is one man.

Q. Will you state when that case occurred?—A. I will have to look all through my books to find it. I remember he paid in \$300.

Q. What was he charged with?—A. With dealing in cigars without being properly branded or labeled.

Q. That was for violating the internal-revenue law?—A. Yes, sir.

Q. Did you seize the cigars?—A. I seized his store and put a man in charge.

Q. What became of the property seized?—A. He got it back.

Q. Upon the compromise that was restored to him?—A. Yes, sir.

Q. And you were present at the time that Openheimer settled this matter at the district attorney's office?—A. Yes, sir.

Q. This was before any suit was instituted against him in court?—A. No, sir; we served a warrant and took him prisoner before the commissioner.

Q. The commissioner found him guilty?—A. The commissioner held him.

Q. Ordered him to give bail for his appearance in court?—A. Yes, sir.

Q. Had the grand jury indicted him?—A. No, sir; his case never went before the grand jury.

Q. Had any libel been filed against his property?—A. No, sir.

Q. After he had been bound over by the commissioner, the settlement was made and the \$300 paid?—A. Yes, sir.

Q. And then he was discharged?—A. Yes, sir.

Q. You let him go by order of the district attorney?—A. Yes, sir.

Q. And the attachment upon his property was withdrawn?—A. Yes, sir.

Q. And he went on with his business upon the simple payment of \$300 and costs, I suppose?—A. Yes, sir.

Q. Could you give the committee about the time that transaction occurred?—A. I have got it all on a book.

Q. I make these inquiries, more particularly, because it opens up a new field of inquiry.—A. I will tell you what I can do; let me have time to go over this book and I will write down four or five of these cases and give them to you in a report to-morrow or the next day.

Q. That will answer; you stated you were in the habit of arresting parties for smuggling cigars almost every day?—A. No, I didn't say that.

Q. But that no indictments were ever found?—A. I never knew of an indictment being found.

Q. And that there were from forty-five to fifty thousand cigars taken at one time?—A. I think there was about fifty thousand—from forty to fifty thousand, I think, when they were taken down to Greenwich street.

Q. Is that the lot that was sold afterward, and netted \$18.50 to the United States?—

A. I don't know; that lot was smuggled cigars—forty or fifty thousand.

Q. Could you give us about the date of this seizure?—A. No, sir; I think it was in the summer of 1870.

Q. You made that seizure yourself, did you?—A. No, sir.

Q. Who made that?—A. All hands. Andrew Whitman was the man who had the job put up.

By Mr. CASSERLY:

Q. Is that the man who afterward got into State prison?—A. Yes, sir.

By Mr. PRATT:

Q. All these cigars were taken to the room of the chief of the division?—A. Yes, sir; every one of them. If I don't mistake, that was in May, 1870.

Q. Well, so considerable a quantity as forty or fifty thousand would occupy considerable space?—A. Yes, sir; there were four very large trunks full. The trunks would hold nearly as much as that bureau, [indicating.] There were some in valises, and I think there was a bag full of boxes.

Q. Have you no recollection of any libel being instituted against this property?—A. I don't think there was; I never knew of any.

Q. You never knew of what became of all these cigars?—A. No, sir.

Q. You spoke of a lot of laces that were seized, and that went to the marshal's office, worth \$4,000?—A. About three or four thousand dollars.

Q. How did that happen to be sent to the marshal's office; why was a distinction made between the laces and the cigars?—A. There appeared to be a kind of fight between Colonel Whiteley and Mr. Chalker about the seizure—the custom-house officer in Colonel Howe's bureau. There was a kind of fight, and the commissioner over there decided to leave them in charge of the marshal, and the marshal sold them. I did know how much they brought because I was at the sale and kept an account of them.

Q. They were sold by order of the court, I suppose?—A. They were sold at auction.

Q. Did I understand you to say that until you received this letter from the Solicitor's office, that you were performing all these services at the rate of four dollars a day, and that that was your only compensation?—A. That and my moieties.

Q. Now, I want to inquire about the moieties. Where you made a seizure of cigars, as you often did, where did you receive your moieties from the cigars?—A. When the case was settled I was entitled to half of it, and invariably got it. For instance, if \$500 was paid in I would get \$250, and if there was \$100 or \$200 paid in I got half.

Q. How did this money come if the goods were not sold?—A. By settlement.

Q. By a settlement with the party from whom the seizure was made?—A. Yes, sir.

Q. So that he paid the money and lost the property besides?—A. Well, sometimes he would lose his property, but not always.

Q. Did you ever know property to be restored after the seizure had been made and the property taken to Colonel Whiteley's rooms?—A. No, sir; I never knew any of that to go back; that we used to take for evidence; I never knew the evidence to go back.

Q. But were the forty-five thousand or fifty thousand cigars you speak of taken for evidence?—A. They were smuggled; I am speaking now of revenue matters. Those were smuggled, and none of them ever went back—no smuggled cigars ever went back.

Q. How did you get your moieties out of smuggled cigars?—A. I never got any.

Q. You realized nothing from those seizures?—A. No, sir; not a cent.

Q. It was only the seizures you made under the internal-revenue law that you realized your moieties from?—A. That is all.

Q. According to your account, then, Colonel Whiteley was the only person who realized anything from the seizures for smuggling?—A. That I don't know anything about.

Q. You traced the property to his possession?—A. Yes, sir; Climer is the man that I had reference to, that I served a warrant on at 2 o'clock, and it was settled by half past 3.

Q. Do you remember his first name?—A. No, sir.

Q. How much did he pay upon settlement?—A. Two hundred and fifty dollars, I think.

Q. Did you make a seizure there?—A. No, sir.

Q. It was just an arrest?—A. Yes, sir; I think we got five hundred cigars.

Q. Were they returned upon the compromise or settlement?—A. No, sir.

Q. They were kept?—A. Yes, sir.

Q. What became of them?—A. They were taken to the office of Colonel Whiteley.

Q. And the \$250 was paid at the district attorney's office?—A. Yes, sir.

Q. You got your moiety of that?—A. I got \$125 of it, and gave the moiety of it to the man who gave me the information.

Q. In the Openheimer case you got the \$150 of the \$300?—A. Yes, sir; that belonged to me. In the Climer case it didn't belong to me, and I paid it over to the man who gave me the information. He made me a present of \$20 out of it.

Q. Do you remember when that occurred?—A. That was in the summer of 1870. I couldn't tell you without looking over the book. I will give you that report, which will give you the dates.

Q. That will answer the purpose. You say that the course of your chief and his subordinates was never inquired into, with one or two exceptions, because you supposed the men who were implicated were humble and timid men, who wanted to get out of the difficulty with as little difficulty as possible?—A. I never knew of one to be inquired into, except the man that inquired about forty thousand of his cigars.

Q. Who was that?—A. Miller. His place was on the corner of Water and Roosevelt streets.

Q. Did you draw an inference from this fact that the men were conscience-smitten and were guilty, and didn't care about agitating the matter?—A. Well, in the majority of the cases, the men were guilty of frauds; in all cases they were guilty of frauds.

Q. I want to get the name of the custom-house officer who foiled you, as you say, in

the seizure of a lot of Scotch whisky.—A. His name was Young, according to my information.

Q. Do you know whether he is still in the custom-house employ?—A. Yes; I think he is.

Q. Do you know his first name?—A. No, sir.

Q. Was he an inspector of customs?—A. I presume so; Mr. McKenzie can give you that information.

By Mr. CASSERLY:

Q. You don't know anything about that yourself?—A. No, sir.

Q. All you got was from Mr. McKenzie?—A. Yes, sir. I know this man didn't come on.

Q. The purser?—A. Yes, sir.

By Mr. PRATT:

Q. You never got any portion of the whisky seized?—A. No, sir.

Q. You have stated another very important fact here, that a good many of the cigars, and of the best quality too, of the seizures that you made for smuggling, were sent on to Washington, to men in the Treasury Department?—A. There was quite a number of them went.

Q. How do you know that fact?—A. Because I saw them packed up and directed.

Q. By whom were they packed up and directed?—A. By the clerk.

Q. Of Colonel Whiteley?—A. Yes, sir.

Q. King's brother?—A. Yes, sir; King's brother.

Q. Sent by express?—A. Yes, sir.

Q. To the officers of the Treasury Department in Washington?—A. Yes, sir; whom I know to be clerks. I think they were generally sent to Cunz.

Q. Who was Cunz?—A. Chief clerk of the secret-service division of the Treasury Department. His brother is chief clerk in the office on Bleecker street.

Q. How large quantities have you known to be sent that way?—A. Three or four or five hundred at once.

Q. And of the best quality?—A. Yes, sir; the best we could get.

Q. I understand you to say, in the matter of this counterfeit plate of the notes of the Shoe and Leather Bank, that you obtained it with only two hours' time and trouble?—A. Yes, sir.

Q. That Colonel Whiteley deliberately misrepresented the facts to the officers of the bank, representing that you had been four or five months sedulously employed in tracking out this plate?—A. Yes, sir.

Q. And he made that representation on the ground of asking a large allowance for you for compensation?—A. Yes, sir.

Q. And upon the further ground of an understanding between you and him that what you realized from the bank in the shape of a present or compensation should be divided with him?—A. Yes, sir.

Q. Could you fix about the date of this interview?—A. Yes, sir; I think it was about the month of February, 1871.

Q. That was a bank located in this city?—A. Yes, sir; on the corner of Chamber street and Broadway.

Q. What officers of the bank were present at the time of this interview?—A. The cashier.

Q. Do you remember his name?—A. Well, I don't know that I remember his name, but he was on the stand in the Miner case. I think it was in the month of February. I know it was in the month of April or the first of May that he gave me \$100. I went in on a little business, and he handed me an envelope with \$100 in it.

Q. Did Colonel Whiteley name any sum that he thought was due you?—A. I don't know that he particularly named a sum, but he said I was entitled to a handsome reward; that he was going to make me a nice present, and he thought the bank should do the same.

Q. Did he ever make you a nice present?—A. Yes, sir; he discharged me.

Q. That is the only present he made you?—A. Yes, sir; that is the best present he could have made me.

By the CHAIRMAN:

Q. How long were you in the employ of Colonel Whiteley?—A. About eighteen months.

Q. How many were present in that service with you?—A. I couldn't tell you.

Q. How many were in the office from time to time?—A. Well, generally about four men besides the clerk, in New York.

Q. What I want to get at is the number in and about the office?—A. Well, four or five, and sometimes six or seven; and sometimes there would be men working for two or three weeks. It would be hard to tell. There were men at work whom I didn't know anything about, even in New York.

Q. Were you accustomed to take a portion of the cigars to distribute for your friends?—A. I took what I wanted for my own use.

Q. Were you accustomed to take a portion of the cigars to distribute among your friends?—A. If I met a friend, I always had one to give my friends; I always had my pockets full.

Q. Do you know how many of the cigars were stolen from that office to distribute among your acquaintances and friends?—A. I have no knowledge; there may have been, for all I know, a hundred thousand.

Q. Do you think there were more than that?—A. It might have been five hundred thousand, for all I know. I can't tell anything about that.

Q. That is as many as were in the office?—A. I presume not; there was many a cigar there; I can't begin to tell how many there were.

Q. Have you any knowledge how many they took and distributed among their friends?—A. No, sir.

Q. Have you any knowledge how many they smoked themselves?—A. No, sir.

Q. Do you suppose they smoked half of them?—A. The probability is they did.

Q. Then it would have been a little more than a hundred cigars each day; which would be pretty good smoking?—A. I don't know how many they smoked a day.

Q. That would be your calculation according to the statement of the number there.—A. They might have smoked and gave away half of them, for all I know.

Q. That would be after giving away half. I understood that you went with Colonel Whiteley and were with him at the time he received his commission as inspector?—A. No, sir; I didn't say I was with him when he received it. I went down to the custom-house after it, when he went down after it, but it hadn't come. I went and had his shield made.

Q. Who was he to receive it from, at the custom-house?—A. I can't think of it now.

Q. Was there anything said in regard to the object for which he was to have this commission?—A. No, sir; I didn't hear a word said.

Q. Nothing about that? What did you understand to be the object of his receiving it?—A. To give him the power to make arrests.

Q. He had no power before?—A. No, sir.

Q. Do you know of any other duties he has performed, under that commission, except making seizures?—A. I know that he has performed a great many duties, looking after counterfeiters, and looking after revenue matters, and looking after the post-office department.

Q. Has he performed the ordinary duties of an inspector in addition to his duties in making seizures?—A. Not to my knowledge.

Q. Not to your knowledge?—A. No, sir.

Q. Wasn't it understood that he was to receive this commission for the very purpose and exclusive purpose of giving him power to make seizures?—A. I so understand from him; I believe I so stated it.

Q. Do you know whether he has or has not received pay as an inspector?—A. I don't know anything about it.

By Mr. PRATT:

Q. How much did you realize, over and above your compensation of \$4 per day, in the shape of moieties and other perquisites from your office?—A. O, I couldn't tell you.

Q. Could you give any estimate of how much?—A. I couldn't say anything about it. I couldn't tell you. I might receive a thousand dollars and maybe more.

Q. A thousand dollars a year?—A. And may be more.

Q. As much as \$2,000, you think?—A. I don't think I received \$2,000. I never kept any account of it.

Q. I am speaking now of what you received exclusive of your regular compensation of \$4 a day?—A. I understand you.

Q. Do you think that the other operatives and assistant operatives realize as much as you do?—A. I think some of them did and some of them didn't.

Q. Do you know how much the office of chief was worth a year?—A. I don't know anything about it.

Q. Can you state whether, after his appointment as an inspector of customs, he received any pay as an inspector?—A. I can't say. I just answered that question four or five times. I couldn't tell anything about it. He may have received pay, and I don't know anything about it; he might and he might not. That is a branch of his business that I know nothing about.

By Mr. CASSERLY:

Q. You don't undertake to say what particular number of cigars were actually consumed by the persons in and about that office of Colonel Whiteley's?—A. No, sir.

Q. You don't undertake to say what quantity they gave away?—A. No, sir; I don't.

Q. But I understand you to say that the systematic loss only of the cigars, and was

that all of a certain class of persons you have spoken of should help themselves, and give them to their friends, as they happened to drop in?—A. Yes, sir.

Q. That besides that there were considerable numbers of the cigars sent to Washington?—A. Yes, sir; I don't pretend to say that a man smoked a hundred cigars a day, or ten or twenty-five, or that he gave away fifty. I don't know how many. I know there were large quantities of cigars there, but where they went to I don't know. I know I smoked ten or twelve every day.

Q. And probably you gave away more than you used?—A. Yes, sir, because everybody I met around the court-house would want a cigar, and I always had my pockets full. The marshals and the assistant district attorney, I am speaking of. Sometimes I would take a box down to them.

By Mr. PRATT:

Q. No account was kept of the cigars that were taken out of this store?—A. No, sir; not to my knowledge.

Q. You never receipted or accounted for them?—A. No, sir; not to my knowledge.

By Mr. CASSERLY:

Q. As to Colonel Whitley's special duties, you don't know anything?—A. No, sir.

Q. What you undertake to speak of is what came within your knowledge as to your own proceeding, as to making seizures, and your returns?—A. Yes, sir.

Q. Did all the cigars that were seized by persons in Colonel Whiteley's office during that time go into the office in every case?—A. Invariably.

Q. You spoke of a single sale from which the custom-house authorities returned \$18.50.—A. I didn't say the custom-house authorities; I don't know who returned it. Colonel Whiteley got his appointment from Collector Murphy.

Q. You say there was a sale, the result of which was, as reported, \$18.50. Who made that return, so far as you know?—A. I don't know.

Q. But you don't mean to say that that wasn't correct?—A. I don't mean to say anything about it.

Q. Was there any money realized, out of seizures of cigars in that office, by the Government; now do you know anything about it?—A. I don't know of a cent, except those cases that were settled in the district attorney's office, as I said before.

Q. You don't know the number of those cases or the amount realized from them, except those that you have stated?—A. That is all. I know that this man under 695 Broadway paid in \$500.

Q. Is that under Lafayette Hall?—A. Yes, sir. Oppenheimer paid in \$300 and Kliemer \$250, I think. I will give you a statement of those cases from my book. There is a man on the corner of the Bowery and Second street who paid in \$300.

Q. You wish to make a memorandum, after referring to your books, of these cases?—A. Yes, sir.

Q. Can you now give us a short history of your proceedings in one of those cases settled in the summary way you have described?—A. I will tell you now.

Q. I will take the Kliemer case, because that is the strongest case you have stated. You went to his store?—A. I will commence where I got the cigars. A man came to me with information that there was to be a certain lot of cigars—some five hundred or one thousand—to be delivered at such a time and such a place. I forget the number exactly, but they were not properly branded or stamped. I went to that place; the cigars came, and I arrested the party. He told me he got them from Kliemer. I sent a man right down to the United States court and got a warrant for Kliemer, for selling cigars not properly branded and stamped, according to the internal-revenue law. I took the warrant and arrested Kliemer and took him down to the United States court, and he settled the case, there and then, by paying \$250.

Q. Didn't you take him first before the commissioner?—A. Yes, sir; I think so; I am not positive whether I took him before the commissioner before taking him to the district attorney's office.

Q. Well, whether you did or not take him before the commissioner, you took him to the district attorney's office?—A. Yes, sir.

Q. Whom did you find there?—A. Mr. Purdy.

Q. You mentioned the name of a Mr. Emmerson just now.—A. Yes, sir; he is a clerk in the back of the office—in an adjoining room.

Q. You mean Mr. Purdy, then?—A. Yes, sir; and Mr. Emmerson.

Q. What are their duties there?—A. They settle the cases, and take the money. These men paid the money right there and then, and they received the amount.

Q. What was the amount?—A. Two thousand five hundred dollars.

Q. Was that the gross amount the United States could claim for revenue?—A. No, sir; that is what they agreed to settle it for—the Government officers, Purdy and Emmerson.

Q. Was that a good settlement, in your opinion?—A. I have no particular opinion.

Q. Had you nothing to say about that?—A. No, sir.

Q. Did Kliemer have any lawyer with him?—A. Yes, sir; he had a lawyer; the

lawyer advised him not to settle it; he was badly scared and settled it. He settled for \$300.

Q. You took how many cigars?—A. I don't know whether it was five hundred, or seven hundred and fifty, or one thousand.

Q. Do you know what the penalties were upon the whole seizure?—A. No, sir; the penalty, I think, for selling cigars not properly branded is \$50.

Q. For each box?—A. Yes; I think it is.

Q. Large or small?—A. Yes.

Q. How many boxes were there?—A. I could not tell whether there were ten or fifteen. My impression is that there was five hundred—ten boxes.

Q. Do you know whether that settlement was completed in the suit subsequently?—A. I don't know anything about it; there was no suit.

Q. Might there not have been a suit subsequently brought, in which Mr. Clymer consented that judgment should be entered against him for the sum which he had deposited?—A. I don't know anything about that.

Q. Do you mean that he paid \$250 into the district attorney's office, and was thereupon released by you?—A. He was released by the district attorney.

Q. I thought he was in your custody?—A. So he was; I had the warrant. I returned the warrant to the district attorney or commissioner, and Mr. Clymer went off about his business.

Q. Was it a commissioner's warrant?—A. Yes.

By Mr. PRATT:

Q. What return did you make upon that warrant?—A. I made none on the warrant at all. I never did, except it was a State warrant.

By Mr. CASSERLY:

Q. What do you mean by a State warrant?—A. In the State court we always have to make return, but in the United States courts we never did.

Q. What did you do?—A. I deposited the papers in the office.

Q. Was no indorsement on it?—A. There might have been the marshal's.

Q. Who was marshal at that time?—A. Sharp; the same as now.

Q. You don't undertake to say, however, but what there might have been a suit brought immediately, and a settlement completed in that suit by consent of the parties?—A. I don't know anything about that.

By Mr. PRATT:

Q. Did I understand you that, when the money was paid over, you got your moiety at once?—A. There and then; the same day.

By Mr. CASSERLY:

Q. When was that case? Would you prefer to look at your memorandum?—A. I would prefer to look at my memoranda. I think it was in May, 1870; but I am not positive; or 1871.

Q. It must have been May, 1870; you went out of office in April, 1871?—A. May, 1870; that is so.

Q. You mentioned the case of Miner?—A. Yes.

Q. As a case in which one of the witnesses testified as to the transactions at the Shoe and Leather Bank, when you and Whiteley were present?—A. Yes.

Q. Was Miner the man who was involved in that charge of counterfeiting?—A. Yes.

Q. With that plate?—A. Yes, sir.

Q. That is the same case mentioned in the newspaper that you handed me?—A. Yes.

Q. Tried before Judge Benedict very recently?—A. Yes; about a month ago.

Q. In which the judge charged the jury as to the credit to be given to the testimony of detectives?—A. Yes.

The documents referred to in this witness's testimony are as follows:

TREASURY DEPARTMENT,
SOLICITOR'S OFFICE, SECRET-SERVICE DIVISION,
Washington, December 30, 1870.

SIR: The chief of the division directs me to inform you that, in consideration of the faithful performance of your duties during the past, he has increased your salary from four to five dollars per day, to take effect January 1, 1871.

Very respectfully,

J. WM. FERD. CUNZ,
Auditing Clerk Secret-Service Division.

A. C. BEATTY, Esq.,
Assistant Operative, 57 Bleecker street, New York.

TREASURY DEPARTMENT,
SOLICITOR'S OFFICE, SECRET-SERVICE DIVISION,
Washington, D. C., 1871.

The following orders are promulgated for the guidance of the employés of the secret-service division of the United States Treasury Department. A non-compliance with the same will be deemed sufficient cause for immediate dismissal.

The employés are divided and classed in following order, viz:

1st. Operatives, when assigned to any district, will be designated chief operatives, and will have exclusive charge of all official business of the division under the directions of the chief thereof, within the limits of said district.

2d. Operatives, when unassigned and not placed in charge of any particular district, will be designated as special operatives, and will, when in the district of any chief operative, be required to report to such chief operatives, unless otherwise specially directed.

3d. All persons employed but not commissioned will be designated as informers, whose duty it shall be to seek information and report to such officer as they may be assigned. They will, under no circumstances whatsoever, be allowed to represent themselves as officers of this division, or to make their business known as being in any way connected therewith.

No person who has been convicted of any crime against the laws of the land can be employed as a regular informer.

All such persons who may bring information of value to the Government will be paid according to the results which such information may lead to.

4th. No certificate of employment or any instrument of writing denoting the employment of any person will be given by any officer of this division other than the chief.

5th. No officer of the division will be allowed to impart any information, ask for instructions, or correspond in regard to their accounts and money affairs, or in any other way communicate officially with the clerks of the division. All communications pertaining to the operations of the division, except between commissioned operatives and their assistants, must be directed to the chief of division.

6th. Persons arrested must be treated with uniform kindness.

7th. Any of the employés who may wish to borrow money for official purposes must apply to the chief of division.

8th. There will be furnished to all commissioned operatives a badge, uniform in character, which is allowed to be worn only by such regularly commissioned operatives. Any other of the employés who may be detected in wearing them will be peremptorily dismissed. The cost price of these badges must be borne by the operatives and the money will be refunded to them by the chief of the division to whom they must be returned when called for.

9th. Mr. J. C. Nettleship has been detailed and attached to the branch office at New York, in the capacity of chief assistant of the division, and he will be obeyed and respected accordingly.

Any previous orders in contradiction with the foregoing are hereby rescinded and declared void.

By order of

H. C. WHITELEY,
Chief Secret-Service Division.

Approved :

E. C. BANFIELD,
Solicitor of the Treasury.

FIFTH AVENUE HOTEL, NEW YORK, February 6, 1872.

W. L. FLAGG sworn and examined.

By Mr. BAYARD :

Question. Give your full name?—Answer. William L. Flagg.

Q. What is your occupation or profession?—A. I am an attorney and counselor at law.

Q. Do you reside in the city of New York?—A. I am temporarily residing in Summit, New Jersey.

Q. Where is your office and place of business?—A. No. 9 Nassau street.

Q. In New York?—A. In New York City.

Q. Have you any knowledge of any case or cases of settlement and compromises for alleged frauds upon the revenue, where books and papers of a party have been seized?—A. Yes.

Q. Tell us the case in your own way, and your relation to the case, and what you know of it?—A. I acted as the counselor for Mr. Henry P. Cooper, a merchant tailor

doing business in Broadway, in which his books and papers were seized, his store placed in the charge of keepers, under the information or an affidavit made before a special agent of the Treasury Department.

Q. Who was that?—A. I don't know who the special agent was who first received this affidavit or information, but I know that subsequently in the city of New York Colonel Frank E. Howe attended to the case; my impression is that the affidavit was made before an officer of the Treasury, in Washington, and referred to Colonel Frank E. Howe afterward.

Q. What was the date of this transaction?—A. Early in 1871; in the latter part of January or 1st of February, I think; I would not be particular about the dates—not certain.

Q. Was a warrant obtained here upon that affidavit?—A. A warrant was obtained, I suppose; I didn't see the warrant, that I remember, but I think there must have been, of course, a warrant obtained for the seizure of his books and papers and the putting of a keeper in his premises.

Q. What became of the books and papers; where were they taken?—A. The books and papers were taken to Colonel Frank E. Howe's office in Wall street, where it was then, in this city.

Q. Did he take all his books and papers from him?—A. That is my impression; I think there was no books left to Mr. Cooper.

Q. How about his correspondence?—A. That was also seized.

Q. And carried away from his store?—A. Yes.

Q. Did they make a clean sweep of the books and papers?—A. Mr. Cooper told me so; he told me they were all seized; I saw a very large quantity of papers and a number of books belonging to Mr. Cooper at Mr. Howe's office.

Q. How long were they detained?—A. I think it was over a month, and my impression is that it may have been two months; I am not certain as to the length of time that they were kept; I think I may say safely it was over a month.

Q. Did you ever see the affidavit in which the offense was charged, specifying the books and papers which would prove it?—A. I saw the affidavit on which the seizure was made.

Q. Whose affidavit was that?—A. That affidavit was one of Mr. C. Peterson, of Washington.

Q. What were the charges in that affidavit against him?—A. The charges in that affidavit were smuggling—concerning smuggling.

Q. And alleging that these books would prove the fact?—A. I would not swear as to that; I am not acquainted with the affidavit to say what the charges were.

Q. Were there specific charges of smuggling in that affidavit?—A. From my recollection of it at the time, I think there were.

Q. You say a man was placed in custody of the store?—A. Yes; a keeper or keepers, in charge of the store.

Q. Placed there by Colonel Howe?—A. I suppose so; they may have been placed there by other officers of the custom-house, but my impression always was that they were placed there by Colonel Howe.

Q. Did you appear before Colonel Howe as representing Mr. Cooper?—A. I did.

Q. Did you have with him an examination of the books, to ascertain the truth of this charge?—A. I saw Colonel Howe at his office; he referred me to Mr. Brush.

Q. Who is he?—A. Mr. Brush is a subordinate; I believe him to be a special agent of the Treasury—I think.

Q. Is he one of Mr. Howe's assistants?—A. One of Mr. Howe's corps.

Q. He is a corps assistant, then, in this matter?—A. That is my understanding.

Q. Did you find the books and papers in Mr. Brush's custody in Colonel Howe's office?—A. I found them in Colonel Howe's office, and that Mr. Brush had access to them. I don't know that he had custody of them.

Q. Did you and Mr. Brush examine the case?—A. Yes; we went over certain papers, and over the books, and investigated the matter.

Q. What was the result of the examination as affecting the charge of smuggling?—A. Mr. Brush gave me to understand that there would be no proceedings against my client on the ground of smuggling; I so understood it; but he said he had detected from my client's books that he hadn't been paying duty in a proper manner upon his importation.

Q. What was the charge? Was there a totally distinct charge from that originally made in the affidavit?—A. Totally different.

Q. Was your attention turned to that then?—A. Yes, sir.

Q. Do I understand you to say that the explanation in regard to the smuggling charge was satisfactory to the agent—the Treasury agent?—A. I mean to say that there seemed to be no weight given by Colonel Howe's officers or Colonel Howe himself to the charge made in the original affidavit upon which the seizure was made; there seemed to be no weight given to that; they acted as though they intended, in the first instance, to pass over that matter.

Q. Then what was the substance of the charges, as stated to you in this interview?
—A. That in certain invoices of goods passed through the custom-house by Mr. Cooper he had been paying a less amount of duty than he should pay.

Q. Just state what was the proof of that, and what were the facts as disclosed by the books.—A. It appeared by Mr. Cooper's invoices that the goods that he had imported, principally from the house of Carr & Son, had received a discount of 15 per cent.; that the invoices which were seized—his other invoices which were seized—showed that he had paid on the face of the bill—that is, without the 15 per cent. off.

Q. How was that explained?—A. That was explained in this way. I explained it to Colonel Howe himself and to his subordinates, or to Mr. Brush, in this way, on the part of Mr. Cooper: that he was a merchant tailor doing a retail business in this city; that he found it for the interest of his business to buy direct from the manufacturers or cloth-dealers in London, or Liverpool, or England; that he was a small dealer and retailer, in fact, and that they made objection to selling him for the same amount of money—that is, if they gave him credit that they did their ordinary customers in the city of New York; that is, the jobber of cloths, I suppose; and that they charged him 15 per cent. more than they did the ordinary run of customers here; that is, if he took the credit.

Q. What was the credit—a year?—A. The credit was an indefinite credit; if he paid cash he would have had this 15 cents, and if he took credit, he being a small dealer—their selling to their customers small as it was in this case—they didn't want it to appear that they were selling to him at the same rate that they sold to them.

Q. In a case where the 15 per cent. deduction was made and the entry made by him at what you may call the 85 per cent., was that the full market value, the dutiable value of goods of that class as imported by other merchants in your city?—A. Of course; I am an attorney at law; I was not a judge of goods myself personally; Mr. Cooper told me that he had paid on these identical goods more by a large per cent. than any other importer of those identical goods; that is, on the basis of the invoice upon which he had made the entry; and Mr. Cooper went with me to Mr. Brush at Colonel Frank E. Howe's office, and we took down samples of those identical goods and showed to him. Mr. Cooper did that from certain memoranda he had in his office; he had paid more than other importers for those identical goods. I understood Mr. Brush at the time to be satisfied with that fact.

Q. But such was the fact?—A. Such was the fact; I have been told by appraisers—I think by more than one—since that the matter was referred to them as to whether or no Mr. Cooper had paid the ordinary amount of duty on those goods with the 15 per cent. off, and they said that they could not conscientiously "put up" the goods, as they term it, as they considered Mr. Cooper was paying more than what was chargeable upon the goods ordinarily.

Q. And the charge was that he was undervaluing them on the invoices?—A. Yes, sir; that he was defrauding the Government.

Q. By an undervaluation of those goods?—A. Yes.

Q. Who were those appraisers to whom you spoke about it?—A. I think General Palmer was one; I think Mr. Bach; I won't be certain as to the name.

Q. Was he one of the examiners in the appraiser's department?—A. I was told so by General Palmer I am certain, and I think by Mr. Bach, that Mr. Cooper had paid on those goods more than the actual duty.

Q. These gentlemen who told you this were the United States appraisers of the customs?—A. I understood them so to be; they represented themselves so to be.

Q. They told you that they had represented that fact to Colonel Howe?—A. I so understood them.

Q. That the application for information in respect to the dutiable value of those goods had been made to them by Colonel Howe?—A. I understood from Mr. Cooper that he had already paid the full duty upon those goods, and the matter had been referred from Colonel Howe's office to these appraisers, and that they looked over the matter and reported that they could not conscientiously, to use their technical term, "put the goods up."

Q. But, as I understand you, the charge was that the books of Mr. Cooper contained the proof that he had availed himself of the credit given him by the English house, and where he had, he hadn't availed himself of the 15 per cent. discount, which he would have been entitled to if he had paid them in cash?—A. Colonel Howe or his officers informed me that this discrepancy between the invoices upon which he had paid his duty, and the invoice upon which he had paid for the goods, after taking credit, was such a discrepancy as to make all the goods that he had received under such invoices subject to confiscation.

Q. Liable to forfeiture?—A. Yes.

Q. But you explained that by saying if he had paid cash the invoice would have been precisely accurate, and that if he enjoyed the credit there would have been an additional sum to be—do I understand that if he had paid cash he would have been entitled to a discount?—A. Yes, sir.

Q. But if he enjoyed the credit, that then he was to lose the benefit of the discount, and that would increase his invoice rates?—A. That is it exactly.

Q. What was the result of those interviews with Colonel Howe?—A. I maintained with Colonel Howe and with other officers with whom I came in contact, in regard to those goods, that I didn't consider that they had a legal claim (and even on their own showing) against my client. However, I told him that it was all-important, his books and papers being then in the custody of those officers and his store being in possession of the keeper, that he settle, irrespective of any rights that he might have, in the best way he could.

Q. Was any proposition made to you for settlement?—A. Yes.

Q. Who made it?—A. Colonel Howe.

Q. What proposition did he make you?—A. Colonel Howe, after my being, I suppose, quite importunate in regard to a settlement, in his office, took me into his private room and said to me that this thing could be settled for \$1,000.

Q. Had any claim originally been made? What was the value of the invoices which they desired—that were liable for forfeiture?—A. My impression is that they claimed that the invoice amounted to \$30,000; I won't be positive as to the exact amount.

Q. In that neighborhood?—A. In that neighborhood.

Q. And they were liable to forfeiture by reason of the facts which you have stated?—A. That was the representation made to my client and to me.

Q. Do I understand you distinctly that Colonel Howe stated to you that it could be settled by the payment of \$1,000?—A. Yes.

Q. And took you into his private office at the time that proposition was made to you?—A. Yes, sir.

Q. What did you do on that?—A. I went to my client and told him what Colonel Howe had said in regard to a settlement. I advised him that, in my opinion, as his counselor, he ought not pay a cent. I told him, of course, he might use discretion as to whether or no he would make an offer of this \$1,000—as to whether or not he would agree to this settlement.

Q. Whether he would accept the offer?—A. Yes; whether he would accept the offer of the \$1,000. He accepted it very readily. He said that he wanted me to see that that settlement was made at once; as soon as possible; that the time to get his store again into his own custody and his creditors relieved of their anxiety in regard to him was his principal object.

Q. Was that gentleman injured in his credit, based upon this seizure?—A. He made a very pitiable statement to that effect to me. Of course, to my own knowledge, I could not say.

Q. Was he very much embarrassed and crippled in his business by this seizure of his books and papers?—A. I can say, I think that he was. I was simply his counselor. He told me himself that he was, and I judged so from the general appearance about his establishment.

Q. You say that his store was in custody?—A. Yes; in custody of keepers.

Q. When his customers came there, did they perceive that he was—that his property was—under arrest?—A. I should say that a customer would see it at once; Mr. Cooper said so; he told me so.

Q. You understood the charge against him was for smuggling?—A. Yes, sir.

Q. Defrauding the revenue?—A. Defrauding the revenue.

Q. What is Mr. Cooper's standing and position, as a citizen of this place?—A. I have never heard aught against him except this charge of smuggling.

Q. This was the only charge made against him?—A. Yes.

Q. Was he a man of position in New York?—A. Mr. Cooper is a young Englishman, who came over here some years ago and established a merchant-tailor business, and he is a direct importer from the acquaintances he made in England.

Q. Has he branch houses in other places than in New York?—A. He had a branch house in Washington, and sold it to this man Peterson, whom I have spoken of as having laid this information against him.

Q. What was the cause of Peterson's charge against him?—A. I can conceive of no other charge than this: that Mr. Cooper was at this time suing him for a debt which he owed for the purchase-money of this store in Washington, and that it was out of spite that he laid this allegation.

Q. Mr. Cooper, for the sake of getting possession of his books and papers—and, by the way, was he still out of his books and papers at the time this offer was made by Mr. Howe?—A. My impression is that he was out of possession of his books and papers at the time this offer was made. I am quite certain of it, but won't state definitely.

Q. How long had he been out?—A. I should say in the neighborhood of three weeks.

Q. How long after he had told you that he would accept Mr. Howe's offer, and pay the \$1,000 in order to get possession of his store, and the books and papers restored to him, how long was it before the final settlement took place, if you know?—A. I

won't be positive as to the length of time. I will state, with your permission, the circumstances connected with it.

Q. I wish you would state the whole of it.—A. I went to Colonel Howe and told him that my client would accept it, would settle on those terms. He said, "Very well; I will see to it." I then went again to Colonel Howe's office, and was told that this thing must be done; the *modus operandi* was that the matter be settled through the district attorney. I told him that time was what my client wanted. He wanted it done as soon as possible, and I wished he would see the district attorney and have it done, if he could, at once. He said he would attend to it. In my client's interest, within a day or two after that, I went to the district attorney and asked him if that case of Mr. Cooper's was going to be settled. He said that Colonel Howe had spoken to him about it, and he said that he thought—he suggested to me that Colonel Howe should put in writing, in the form of a letter, what he had said in regard to the proposition of settlement, and he said that if I would get such a letter as that from Colonel Howe he would send it, accompanied with the other papers, to the Solicitor of the Treasury for instructions from Washington. I then went to my office and wrote Colonel Howe what the district attorney had said, and asked him to put in writing the substance of what he had said. He wrote back to me to the effect that that was not his custom to advise the district attorney as to how he should settle cases. As matters did not get on very fast, I waited a few days and went down to Colonel Howe's office, personally, and tried to see if this thing could not be hurried up, and found that Colonel Howe had gone to Washington. I thought that Colonel Howe, as I understood, had said that Mr. Cooper's case should be settled for \$1,000, that he would be at the Solicitor's at Washington. So in the interest of my client, I went on to Washington, and with the purpose of having Colonel Howe go with me, and state to the Solicitor what I had understood he had stated to Mr. Davis, the district attorney. I met him in Washington at the Arlington House, quite early in the morning, and he objected—

Q. Why?—A. He didn't give any reasons for his objection, but he seemed to think, and said, in fact, that I was acting in a very superserviceable manner, he thought, in the interest of my client; that a little less ardor would be better for Mr. Cooper.

Q. That you were too zealous in your client's behalf?—A. Yes; and after that I immediately—at least after breakfast, I saw the Solicitor, and stated the case as clearly as I understood it to him.

Q. As you have stated it to us here?—A. More fully, perhaps, than I have stated it here; more in detail, and left the Solicitor with the understanding that he would write to Mr. Davis at once in regard to the matter. The Solicitor made the remark to me, while I was talking with him, that, from my statement of the case, he thought it was a case that never ought to have been commenced. A few days after I got back I waited upon Mr. Davis, the district attorney, and was informed by him that on the payment of this \$1,000 Mr. Cooper's case would be settled. I at once went to my client and went up with him to the district attorney's office, and he paid a check for \$1,000, and a paper was signed by the district attorney and myself, as attorney for Mr. Cooper, to discontinue all proceedings against my client.

Q. How did you sign a paper for your client?—A. I think, I am very confident, that I signed a paper.

Q. Was it a confession of judgment for this amount?—A. No, sir; I don't think it was. My impression is that it was a consent that all proceedings be discontinued. That is my impression in regard to that paper.

Q. What paper did Mr. Davis sign?—A. I won't say that Mr. Davis signed the paper himself at all; it was either him or one of his assistants.

Q. It was signed by some one representing the district attorney?—A. Yes.

Q. Was that paper given to Mr. Cooper or to you?—A. I think that one was kept in the office, and another of those papers was given to Mr. Cooper.

Q. Do you think that Mr. Cooper has got possession of it?—A. That is my impression.

Q. I wish you would obtain it from him, if you can, and see what character it was.—A. I think I can do so.

Q. The money was paid in?—A. Yes; by Mr. Cooper.

Q. Is that the end of it?—A. I have never heard from the case since.

Q. Was Mr. Cooper's store released from seizure?—A. Yes.

Q. When were the books returned to him?—A. I think his books had been returned some time prior to this settlement.

Q. How long before the payment of the money were his books returned?—A. Some days; that is my impression; I don't remember distinctly.

Q. How long after he had intimated his willingness to pay this \$1,000, in order to get rid of this proceeding, was it that the books were returned? How long were they kept after that proposition of Mr. Howe was made and accepted by Mr. Cooper?—A. My recollection in regard to the return of those books and papers, in connection with his settlement, is not clear, because the matter of the return of his books and papers was more a matter that he attended to himself personally than I myself; that is, he

wanted me to see if I could not get his books and papers for him, and I did try, and I think I succeeded some time before the settlement was made, but I won't say exactly as to when it happened, in relation to the settlement.

Q. Did he inform you that he was much distressed by the absence of his books and papers?—A. He said it was with great difficulty to get on with his business. My impression is that he had to go down to Colonel Howe's office to consult.

Q. How far away was that?—A. I think it was a quarter of a mile.

Q. From his place of business?—A. Yes; something like that; a quarter of a mile.

Q. And that was the condition of things with him during the time that those books were kept away?—A. Yes.

Q. You examined his books and you heard the charges against him?—A. Yes, sir.

Q. Are you perfectly satisfied that there never was a basis for either of the charges, and that his books disclosed a complete refutation to them?—A. Well, so far as the smuggling charge was concerned, there never was enough of it, in my impression, in the estimation of the officers of the Government or anybody else, except the informer, to base any proceedings upon whatever.

Q. And yet the books had been seized upon that charge?—A. Yes.

Q. Then, after they had seized them and got possession of them, they discovered there was something else?—A. That was the means; by reason of this information in regard to the charge of smuggling, the books and papers had been seized, and after, I suppose, they found that that charge of smuggling could not be substantiated, or could not be proceeded upon, they ferreted out this matter of the discrepancy between the invoices. I told them I was of the opinion, and am still of the opinion, that legally Mr. Cooper was not chargeable with any fraud, by reason of anything that his books and papers showed.

Q. You say that the Government appraisers were equally satisfied of the fact?—A. I won't say that they were satisfied of the fact that he was not legally liable. I will say that they expressed this to me, that the goods upon which these charges were made had paid the legal duty, and more too.

Q. That they had been fully valued?—A. Yes.

Q. And there had been no undervaluation of the invoices?—A. Yes, sir.

Q. Is this the only case which you have any knowledge of, where these seizures and compromises have taken place?—A. Yes, sir; I have a case now on the calendar, in which two proceedings have been had against my client; one an *in rem* proceeding, and one an *in personam* proceeding, where "oil of bay" was seized.

Q. Who was the person seizing?—A. I think, a Mr. Chalker.

Q. In the same bureau?—A. No, sir. I think the seizure in this latter case was made before the case of Mr. Cooper.

Q. Were any books and papers seized there?—A. No, sir. The goods were seized and have been held ever since, and a proposition was made to me that if I would allow judgment, or my client would allow judgment, to go against the goods, and condemnation or forfeiture, the other case of *in personam* would be withdrawn.

Q. The *in personam* was for penalties?—A. Yes.

Q. And the *in rem* was for the forfeiture of the goods?—A. Yes.

Q. Who made the proposition to you?—A. In the district attorney's office; my impression is it was by Mr. Simons.

Q. Who is he?—A. My impression is that his office is that of assistant district attorney.

Q. He told you that if you would allow judgment to go by default in the suit *in rem*, they would abandon the suit for the penalty *in personam*?—A. He suggested that to me; he said he thought that could be done.

Q. Have you assented to that?—A. Yes; my client filed an offer to that effect.

Q. That will end that suit?—A. Yes; I suppose so.

Q. What other cases have you?—A. Those are all the cases which I recall now.

Q. Do you know of any suggestion made to your client that he would be liable to indictment if he didn't settle—in the case of Mr. Cooper?—A. Yes; that phase was given to the matter in Mr. Howe's office, to me personally, and Mr. Cooper told me that he had been told so.

Q. That if he didn't settle he would be indicted?—A. He told me that he had been told that.

Q. Where; down in the office of Colonel Howe?—A. That was my idea; that he had been told it there. I know it was suggested to me in Colonel Howe's office, I think by Mr. Brush, and also by Mr. Chott, (?) that they supposed I was perfectly aware that those charges subjected my client to criminal proceedings.

Q. To imprisonment?—A. I won't say that they said a word about imprisonment.

Q. Criminal proceedings?—A. Yes.

Q. Is it understood that when settlements are made by the payment of sums of money, all criminal proceedings end with it?—A. I think that is the custom.

Q. Then the agreement that criminal proceedings shall not be instituted against a man form a part of the inducement to his paying money in settlement of what may

be termed a suit for money?—A. Yes; I understand that the belief is, on the part of parties against whom these proceedings are taken, that by the discontinuation of *in rem* proceedings, all other proceedings will be discontinued as an inducement to them.

Q. And there shall be no criminal prosecution for anything in regard to the transaction?—A. Yes; that acts as a strong incentive to accept the compromise.

Q. You mean that the compromise is tendered to them?—A. Yes; the compromise is offered or tendered to them.

Q. And the offer comes from the Government and not from the individual?—A. It did so in Mr. Cooper's case, as I have stated.

By Mr. STEWART:

Q. What was the value of that invoice in Mr. Cooper's case?—A. Do I understand you to refer to any particular invoice?

Q. The one in which he was charged—where there was some irregularity about the imports.—A. I think you don't mean an invoice; there were several invoices; this was an aggregate of several invoices.

Q. And there was a charge in each. What was the particular difficulty that they found afterward, leaving smuggling out of the question? What was the particular point upon which they made the claim?—A. They claimed that he should have paid duty on this 15 per cent., and that it should not have been allowed him.

Q. Fifteen per cent. on what; what was the 15 per cent. on?—A. That 15 per cent. appeared on the invoices upon which the entry was made as being an allowance made to Mr. Cooper upon the price of the goods.

Q. Made in Europe?—A. Appeared upon the invoices upon which the entries were made, as being an allowance to Mr. Cooper upon the price of the goods.

Q. That there had been such a deduction from the price of the goods; that is, the price had been reduced by 15 per cent.?—A. It appeared so upon the invoices upon which the entry was made.

Q. Had that been done as a matter of fact?—A. The invoices that were subsequently sent to Mr. Cooper did not contain—I understood then, and what I saw—did not contain this deduction of 15 per cent. I explained that to the officers, and Mr. Cooper did also, as being so on account of the fact that Mr. Cooper had taken credit and not paid cash; and that with the 15 per cent. off, as appeared by the invoices upon which the entries had been made, the goods had paid more—quite or more than the amount that they should legally pay.

Q. Then they were bought so much off for cash. If he took credit, then he would pay the full amount, and if he paid cash, there would be the 15 per cent. off. Is that the way it was?—A. You may look at it in that way; that is one way to look at it.

Q. And he paid duties on them at the cash price here with the per cent. off?—A. Not exactly that, as I look at it. My impression is that he bought the goods with the understanding with those parties abroad that he was to take credit, and they charged him a price including this 15 per cent. credit; but they, of their own accord, sending other goods to other parties identical with those here—that if they charged him in the entry invoice this price, including credit, that he would be paying exorbitant duty; and so they, of their own accord, without any suggestion, as Mr. Cooper informed me, on his part, took off this 15 per cent.; that is, in the first instance. It was deducted by the parties abroad without any idea on his part that it should or should not be deducted. He knew he was going to have credit; he knew he could not pay cash, and they knew he could not pay cash, and they did it abroad of their own volition, to save Mr. Cooper.

Q. You say that Colonel Howe took you into his private room and suggested to you the settlement for a thousand dollars?—A. Yes.

Q. Had there been any conversation previous to that time in regard to a settlement?—A. The other officers in the general office had said in a general way, "How much is Cooper going to pay and settle this case?"

Q. Had you said anything about settling it to them?—A. I replied to such a suggestion as that—I would say, I didn't think he ought to pay anything. The remark was made by one or two of them that he ought to pay \$10,000.

Q. What did you say to them when you were in there; what was your purpose in being in there?—A. My purpose was to get them to stop it altogether. I thought it was a frivolous charge to bring against my client.

Q. And you were arguing that they ought to stop it altogether?—A. Yes.

Q. You didn't say anything about any settlement at all?—A. Yes, I did, as I tell you, when the suggestion for settlement, by way of compromise, was made; I know I said, three or four times, that he ought not to pay anything; I made the suggestion that I didn't see how a compromise could be had; I said the case ought to be dropped—that it was a ridiculous case, in all its features.

Q. Didn't you mention a settlement before they did, at all; did it come first from them?—A. No, sir, I didn't mention settlement before they did.

Q. Do you recollect whether Colonel Howe was present when these suggestions were

made about settlement, in the office, before you went into his private office?—A. I cannot say whether he was or not; I don't think he was.

Q. What did he say when he invited you in there; did he have any conversation with you before you went in that morning?—A. I don't recollect about this particular morning; he took me by the button-hole, if I remember correctly.

Q. Had you been talking with him when he took you or did he come along and take you?—A. I won't state as to that; there may have been a few words passed between us.

Q. You had had previous conversation with him?—A. Yes, sir.

Q. What had been the character of this previous conversation?—A. I had said to Colonel Howe that I thought this was a ridiculous proceeding to continue against my client.

Q. What did he say as to that?—A. Well, I think he thought so, too; my impression of his general movements in regard to the case was that he had that idea himself, too.

Q. Did he say that he didn't think it was any case?—A. No, sir; he didn't say that.

Q. In that previous conversation, what were you asking him to do?—A. I don't know what previous conversation you refer to.

Q. Before you went into his room?—A. I said, I think, that we may have had a few words of conversation before we went into the room.

Q. Not that day, but at any time; what was the conversation with him?—A. To get him to stop it; and I think I had several interviews with him, one or two in regard to sending back the books of Mr. Cooper. My principal talk was with Mr. Brush, before the offer was made by Colonel Howe.

Q. And you had been trying to get Mr. Brush to stop it?—A. No, sir; I had been trying so to explain the matter to Mr. Brush as that proper parties—the parties who had authority—would stop it.

Q. You didn't, at any time, then, in the conversation with Mr. Brush and these explanations, say anything to him about settling up, and paying any money?—A. I didn't say that; I think that Mr. Brush may have suggested to me—I think he did suggest to me—that Mr. Cooper should settle this case, and he thought that \$10,000 would be about right. He made such a remark as that to me, and I think I invariably replied to such a remark as that, on the part of Mr. Brush, or any other officer in the office, that I didn't think the case was one on which Mr. Cooper should pay a cent; I may have suggested that he pay the duty on this 15 per cent. by way of compromise.

Q. How much would that pay?—A. I didn't reckon it; something over \$400, I think, was the amount of duty.

Q. It would not amount to as much as a thousand dollars?—A. No, sir; that is my impression.

Q. And you would have been willing to have paid the duty on it and settle it in that way?—A. I think that I suggested that I would advise Mr. Cooper to pay the duties rather than to continue.

Q. Do you know whether that had been suggested to Mr. Howe?—A. I am very confident that it was suggested to Mr. Howe.

Q. Previous to this conversation in which he spoke about \$1,000?—A. Yes, my impression is that I did; these conversations were through several weeks, and I cannot remember as to all those conversations.

Q. And you think that you suggested to him that your client would be willing to pay the duty, in some previous conversation, before he took you aside?—A. I didn't state that I said my client would be willing to pay the duty; I said I thought my client would pay the duty rather than have the proceedings continue.

Q. That he would pay the duty?—A. He never offered the duty on the ground that the Government had a right to it.

Q. But for the purpose of getting relieved from the embarrassment?—Yes, sir.

Q. Then, when he got you into the room, was there anything said about paying the duty?—A. I said to Colonel Howe, "Can't it be done for less?" I think he suggested to me that "the duty on this is only four hundred and some dollars;" and that I remarked, "Why make it above that?"

Q. What reply did he make to that?—A. He says, "Flagg, that is what can be done; there is no use talking," or something like that.

Q. Where did he propose to have it done; how did he tell you to do it?—A. I don't think, in the first instance, anything more was said than merely that, in his room. I afterward found out from him that this thing—that if this \$1,000 was accepted, it should be done—the practice required that it be done through the district attorney. I knew that myself, but I don't think anything was said at first.

Q. Did you have any idea at any of the time that he proposed to take \$1,000, and take it himself, without taking it to the district attorney's office?—A. My idea, if you insist on that—

Q. Of course, I want to know just exactly how the transaction was.—A. My idea always was, in regard to the matter, that it seemed to Colonel Howe a personal misfortune that anything was suggested to the district attorney by me. It always seemed

to me that way. He never said so much, but, from subsequent proceedings on his part, I inferred this.

Q. Did you speak with the district attorney before he mentioned the district attorney's office—that it had got to go through there? You say you think that he didn't want you to say anything to the district attorney about it.—A. I didn't say that.

Q. How was that—that was your impression?—A. From subsequent action on the part of the colonel and what he said to me subsequently, I got the impression that he considered it a personal misfortune to him or that he didn't like the fact that I had spoken to the district attorney about it.

Q. What time did you speak to the district attorney, before or after this conversation?—A. I think I had written the district attorney before this conversation; I think I had written to the district attorney myself previous to the conversation in regard to the case, trying to get him to stop it. I tried by all means to get it stopped.

Q. What did Colonel Howe say that makes you draw that inference, that he regretted that you had spoken to the district attorney about it?—A. You ask how I got that impression?

Q. Yes. What did he say from which you drew the inference?—A. Well, on my asking him—on my stating to him that the district attorney had suggested to me that Colonel Howe put in writing what he had suggested to me—he replied in a very curt letter, so short and laconic that I made up my mind that he didn't like the fact that I had applied to the district attorney in regard to this offer of compromise; and also, when I went to Washington, hearing that he was there, the manner in which he treated me when I got to Washington, on my suggestion that he go to the solicitor with me; he became very angry.

Q. From these things you infer he was displeased?—A. And his telling me that I had overworked the matter. He said that if I hadn't done as much the matter would have been settled up long ago; that if I hadn't meddled so zealously in the affair, the matter would have been settled long ago; and, in fact, that my application to the case, general application to the case, was injuring rather than benefiting my client. He made that remark to me.

Q. That was at Washington?—A. That was at Washington; and we afterward—our interview in Washington was of such a character that I felt sorry, on personal grounds, thinking I had lost a good friend in Colonel Howe. We had been friendly previous to that, and we met and had a general reconciliation after that. I understood it so.

Q. You were on friendly terms at the time he took you aside?—A. Yes. I had known the colonel.

Q. Did he state, or did anybody state, upon what basis he arrived at \$1,000?—A. No, sir. There was no reason given for the exact sum, a thousand dollars.

Q. That was about double or a little more than double the duties?—A. That is my impression.

Q. And about 10 per cent. of the value; it was not 10 per cent. of the value of all these invoices? All those invoices would be about \$30,000.—A. We didn't look to the amount in the way of settlement. We considered that we were getting out of a disagreeable matter by giving \$1,000, and it didn't enter our head to criticize what the amount was made up of.

Q. I would like to know whether there was a confession of judgment in that case.—A. I won't state what the exact form of the settlement was. I have not the paper before me and haven't looked at it since it was signed. My judgment at present is that it resulted—it was such a paper as caused the discontinuance of all proceedings.

Q. I presume the committee would like to know, if it would not be too much trouble, to get at what was done; whether that business was all settled in the district attorney's office; whether there was a judgment entered up into court; you can ascertain that pretty easily?

Mr. BAYARD. That case appears upon the list of forfeitures furnished here. It states merely a thousand dollars paid, the court costs deducted, and the balance divided between the informer and the collector and surveyor. I find it upon the list.

Mr. CASSERLY. The report that has been sent from the district attorney's office is as barren as any thing could be.

The WITNESS. The reason I don't know what the paper contained is that I am not confident that a declaration was ever served in the case. I am not confident as to what particular stage in the case these proceedings were had; so that I am not confident what form of agreement or paper was necessary to draw up.

By Mr. STEWART:

Q. You say that you saw Mr. Banfield?—A. Yes.

Q. Did you tell him of Colonel Howe's offer?—A. Yes.

Q. What did he say to that?—A. He smiled; that is all he said.

Q. Did you tell Mr. Davis of the offer?—A. Yes; I told Mr. Davis of the offer.

Q. And Mr. Davis told you to get that offer and put it in writing?—A. Yes; Mr. Davis suggested that I get that in writing.

Q. Then he took some interest in knowing just exactly what the offer was?—A. He seemed to me to want to get the colonel in writing in that respect.

Q. On that point?—A. Yes, sir.

Q. He wanted to get the colonel in writing, and Mr. Banfield simply smiled; he didn't suggest getting any writing on that point?—A. I would not say whether he smiled or laughed; he cachinnated.

Q. He made no remark?—A. Not on that particular point.

Q. And the only remark Mr. Davis made was to get it in writing?—A. I won't say that was the only remark; he made that suggestion to me. My recollection is that he said he had had a conversation with Colonel Howe in regard to Mr. Cooper's case and suggested that I get Colonel Howe to put in writing this proposition for compromise.

Q. Did he or did he not make any comments on the propriety or impropriety of Colonel Howe making any proposition?—A. He didn't say anything; there were no words said that gave me that impression.

Q. Did you tell him that the proposition came from Colonel Howe or that you suggested it to him?—A. I told him that Colonel Howe made that offer in the case.

Q. You told him in so many words?—A. Yes.

Q. And then he told you to get it in writing?—A. He didn't tell me to get it in writing; he suggested to me the propriety of my asking Colonel Howe to put it in writing.

Q. And when you wrote to Colonel Howe about it, he appeared to be indignant?—A. He seemed to.

Q. He wrote you a curt letter?—A. He wrote me a very curt letter; he said it was not his custom to advise the district attorney how he should settle his cases. The district attorney told me that he hadn't any such authority to compromise his case. I wrote back, I think, in reply to the colonel's curt letter, that as the district attorney had disavowed any authority on his part to settle the case, I didn't see how any letter, such as I had asked, could be considered as advising the district attorney in the matter.

By Mr. BAYARD:

Q. You said that Colonel Howe didn't want to advise the district attorney about settling his case; you emphasized "his case;" whose case did you mean? Did he speak as of a case of his own?—A. It was not his custom to advise the district attorney as to settling his, the district attorney's, business.

By Mr. CASSERLY:

Q. Was there any suit ever commenced in this matter?—A. As I have stated before, not having referred to my books in the matter, I am doubtful as to exactly what the district attorney did, by way of preliminary proceedings.

Q. Were any papers ever served upon you in a suit?—A. Some preliminary paper, in a case involving this matter, was—I think came to my office from Mr. Cooper, but what that was I don't exactly remember now.

Q. Do you remember when that was? I ask you because we have here a large transcript from the district attorney's office—transcript of proceedings in the United States court *in rem*.

Mr. BAYARD. That is not it.

Mr. CASSERLY. Let me say now, in justice to the district attorney's office, that, if I said awhile ago anything indicating that any papers from his office as a transcript of proceeding *in rem* were wanting in the information that I expected to find in them, I desire to withdraw it, because I understood this as coming from the custom-house.

Mr. BAYARD. We have no record from the district attorney's office of any kind; those give no idea at all.

By Mr. CASSERLY:

Q. Then, Mr. Flagg, can you fix the time when you received that paper which you supposed might have been a paper in the suit?—A. Well, it was in March, I think.

Q. Of last year?—A. In February or March, 1871, I think.

Q. In the record, or in the summary statement of the moneys received upon cases of seizure and forfeiture charges now before Senator Bayard, this case of your client is dated as of the 23d of February, 1871?—A. Yes; well, it was in that neighborhood the proceeding commenced; that is, the information on which the seizure was made was, I think, in the beginning of February or the last of January, and the case went on into March, I think.

Q. The day that you understood this case was finally settled in the district attorney's office, was that the day on which you signed that paper?—A. Yes, sir.

Q. Was the money paid at the same time?—A. I think it was paid contemporaneously with the signing of that paper.

Mr. CASSERLY. I am a little anxious to know what precisely does take place in the district attorney's office in reference to this settlement; and, if Mr. Flagg has any papers

in his office that could throw any light upon that subject, he might as well let us have them.

The WITNESS. I think my client has them.

Mr. CASSERLY. Send up any papers you have that would instruct us as to the proceedings in the district attorney's office.

By Mr. PRATT :

Q. How long was it after the proposition of Colonel Howe for \$1,000 before the matter was finally adjusted?—A. Mr. Senator, I cannot state as to periods of time in this matter, because I have not looked over my memoranda in the case lately, but my impression is that it was somewhere like three weeks, perhaps longer than three weeks.

Q. What motive was there, upon the part of Colonel Howe, to defer the settlement of this case, after he had made the proposition to Mr. Cooper, and Mr. Cooper receipted it through you and was ready to pay over the money—what motive was there for delay?—A. I don't know anything of my own knowledge—anything in regard to Colonel Howe's motives—any of the motives that actuated him in this case.

Q. Did he give no explanation?—A. Of what?

Q. When you followed him to Washington, and persisted in urging the settlement of this matter, after he had given the proposition and your client had accepted it, what reason did he give for deferring the settlement any longer?—A. He gave no reason at all; he seemed to think it was my part of the matter, after he had made the proposition, to leave it alone—he seemed to act in that manner—and that it was my business to let it be.

Q. The money, in point of fact, I understand you to say, was never paid over until this stipulation was signed between you and the district attorney?—A. The money was never paid over, but I did send in the offer to the district attorney of this \$1,000.

Q. But the money was not paid until after the stipulation was signed?—A. No, sir. I would say that it was not paid until after. My impression is that the check was sent in first and the paper signed; but the two acts were contemporaneous.

Q. And was that the end of the judicial proceedings, so far as you know?—A. So far as I know.

Q. This paper was served upon your client before that?—A. The paper that I say I think I received in the case?

Q. Yes.—A. Yes; that was the commencement of the case, so far as this 15 per cent. was concerned.

Q. The books and papers, then, were never returned, and the keepers who were put in possession of the store were never ousted until this settlement took place?—A. O, no. I think the books were returned. I think I have stated that the books were returned (a part, if not all) before.

Q. Was the guard withdrawn from the store?—A. I think the guard was withdrawn from the store shortly before the settlement. I won't state how long; I think it was shortly; it may be that they remained there up to the time. My impression is, not having looked over my memoranda lately, that they were at the store a little before this final settlement.

Q. Did Mr. Cooper continue his business as usual, notwithstanding the presence of that guard, and sell goods?—A. Yes; he continued his business, but continually remonstrated with me that it was under almost insuperable difficulties.

Adjourned at 4.30 to 7.30 in the evening.

The following copies of documents were received February 9, 1872, from the collector, and ordered appended to Mr. Flagg's testimony:

CUSTOM-HOUSE, NEW YORK,
Collector's Office, February 23, 1871.

SIR: I have to request that you will institute proceedings *in personam* against Henry P. Cooper, doing business at No. 54 Broadway, in this city, to recover the sum of \$14,328, currency, being the value of certain importations of cloth and silk made by him, as per schedule annexed, and entered at this port by means of invoices which did not contain a true statement of the goods, or value thereof, contrary to section 4, act of May 28, 1830, and section 1, act of March 3, 1863.

The invoices, entries, and the other particulars, together with the names of the witnesses, will be sent to you when requested.

I am, very respectfully,

THOMAS MURPHY, *Collector.*

Hon. NOAH DAVIS,
United States Attorney.

Date of entry.	Vessel.	Entered value.	Real value.	Duty-paid value.
April 22, 1870.....	Russia	\$587	\$687 91	\$1,072 17
June 23, 1870.....	City of London	206	241 57	372 61
June 25, 1870.....	Cuba.....	310	363 22	542 34
June 24, 1870.....	City of Limerick.....	2,033	2,383 66	3,894 04
November 10, 1870.....	Java.....	326	382 08	629 80
October 6, 1870.....	Java.....	1,027	1,263 44	1,946 14
October 11, 1870.....	Algeria.....	283	331 40	527 40
November 2, 1870.....	Java.....	565	662 30	1,041 51
November 17, 1870.....	Algeria.....	513	601 73	934 34
January 3, 1871.....	City of Paris.....	599	701 63	1,103 20
September, 1871.....	Scotia.....	481	533 00	844 56
Gold .....	.....	.....	.....	12,908 11

CUSTOM-HOUSE, NEW YORK,
Collector's Office, February 24, 1871.

SIR: I inclose herewith an affidavit of one Carl Peterson, relative to certain offenses alleged to have been committed by one Henry P. Cooper, of this city. If the statements are to be relied on, it would appear that Mr. Cooper is liable, under section 69 of the act of March 2, 1799, and section 2 of the act of March 3, 1823, for double the value of goods alleged to be received by him, and is also criminally liable under section 4 of the act of July 18, 1866.

I have to request that, after consultation with Colonel F. E. Howe, special agent of the Treasury, and his assistants, you will institute such proceedings as you may deem to be warranted, unless you shall decide that a conviction cannot probably be obtained or that the ends of public justice do not require any suit or prosecution to be instituted.

I am, very respectfully,

THOMAS MURPHY, *Collector.*

Hon. NOAH DAVIS,
United States Attorney.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 4, 1871.

SIR: I inclose proposition on behalf of William Cooper for your views as to the propriety of accepting same.

Will you please also communicate with Colonel Howe on the subject?

Very respectfully,

NOAH DAVIS,
United States Attorney.

Hon. THOMAS MURPHY, *Collector.*

CUSTOM-HOUSE, NEW YORK,
Collector's Office, April 5, 1871.

SIR: In reply to your letter of the 4th instant, transmitting proposition in behalf of Mr. Cooper, I have to say that I have endeavored to communicate with Colonel Howe, as requested, but find that he is out of town. The case is one originally investigated and presented to me by Colonel Howe, and, upon the evidence laid before me, with which I believe you are familiar, presents a clear case of undervaluation. If other and further evidence shall have been presented by Mr. Cooper, leading to different conclusions in your mind or in the mind of Colonel Howe, I shall interpose no objections to a settlement of the case upon such terms as may seem just, only remarking, however, that under ordinary circumstances such an offer as the present would not be entertained by me, for the reason that if the party is guilty he should pay much more, and if innocent he should pay nothing. Inclosure is returned.

I am, very respectfully,

THOMAS MURPHY, *Collector.*

Hon. NOAH DAVIS,
United States Attorney.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872—7.30 p. m.*

LEONARD LEWISOHN sworn and examined.

By Mr. BAYARD :

Question. What is your full name?—Answer. Leonard Lewisohn.

Q. Of what firm are you a partner?—A. Lewisohn Bros.

Q. Where is your place of business?—A. No. 25 Park Place, New York.

Q. What is the nature of your business?—A. Importing business.

Q. The committee have received from you a communication relating to certain losses that your firm have met with in the abstraction of goods, of merchandise, while in the custody of the Government, in the public store, in the general-order stores, and in the appraiser's stores, I believe?—A. Yes.

Q. Will you make any statement which you see fit upon that subject; stating what you have lost, when you have lost it, and to what you attribute the loss?—A. The same as I stated in the letter.

Q. Will you make the statement now? There are a series of losses referred to in your correspondence; there is a communication here, dated the 1st of December, 1870, which refers to the loss of some human hair from a case imported from Liverpool. What are the facts connected with that; it seems it was sent to general order?—A. Yes; the case was sent to general order, and the duty was paid, and the case was sent from the general-order store by the public-store carman to the public store, and found out there to be a loss of about 623 thalers—by the appraisers.

Q. Thalers?—A. Yes; Prussian thalers—the invoice loss, that is.

Q. When were those goods landed; by what vessel were they?—A. By the steamer Cuba.

Q. When were they landed?—A. They came to the general order from the steamer on the 25th of November, 1870.

Q. Had you your permit at the dock to obtain those goods within the forty-eight hours?—A. Yes, the permit was there.

Q. When were the goods sent to the general-order store?—A. I could not tell that exactly, because it was not in our custody; it was in the custody of the United States Government, on account of being a public-store package.

Q. But I understand you had a permit to send it to the public store, but it was sent to the general order instead?—A. Yes, sir.

Q. Do you know how long after it was landed it was sent to the general order?—A. I don't know.

Q. Did you have your permit there the first day the steamer was discharged?—A. Yes; but the case went to general order.

Q. Had it been already sent?—A. Yes.

Q. It was then sent to the appraiser's store for examination?—A. From the public store.

Q. How do you know the case had been robbed?—A. By the appraisers.

Q. Did they send word to you?—A. Yes; they sent word to us to come up and see the loss—Mr. Brush's department.

Q. When you first saw the case, what was its condition?—A. I saw the case first in the public store.

Q. What was its condition then?—A. It was broken open partly, and in a bad condition, and he seen the loss there.

Q. Had it been examined?—A. It had been examined by the appraisers, and they found the underweight, and notified us for that purpose.

Q. They didn't notify you when the case first came in?—A. No.

Q. But they opened and examined the invoice, and notified you that the short weight had been discovered?—A. Yes.

Q. Why had they not told you of that when the case first come in the public store?—A. I suppose they didn't know there was any goods out.

Q. Did you ascertain at the public store that the case had been in that bad order when it arrived there?—A. Yes; it was in bad order an account of the carman giving a receipt in bad order to the general-order store.

Q. Then it was ascertained that the case had left the general-order store in bad condition?—A. Yes.

Q. Did you trace the matter further, to see whether it had left the vessel in bad condition?—A. There was a receipt on file in the custom-house that the case came out in good order from the steamer.

Q. It is a very valuable article of merchandise, is it not?—A. Very valuable; there was a mark on the case.

Q. Was it a very nice case, nicely packed?—A. Human hair is always packed in pretty good cases.

Q. It is a very valuable article, is it not?—A. Yes, sir.

Q. What did you say about the case being lined?

By Mr. CASSERLY :

Q. They are cased with lead, are they not?—A. No, not always.

By Mr. BAYARD :

Q. But the case is carefully made?—A. The case is generally a good case.

Q. I believe this human hair is both valuable and very delicate, as an article of merchandise?—A. Yes, sir.

Q. And care is taken in packing it?—A. It is, as a general thing, packed very tight, and in good condition.

Q. Are the cases in which this merchandise is contained carefully made and carefully closed?—A. Generally.

Q. You discovered that the case had left the ship in good order?—A. In good order.

Q. And the receipt from the general-order store noted it had been received in good order?—A. Yes; it is on file in the custom-house now.

Q. Therefore, you having traced it to the general-order store in good order, you found it was in bad order when it left the general-order for the public store?—A. Yes.

Q. For that reason you believed the loss occurred—that the loss was at the general-order store?—A. Yes, sir.

Q. Where was this general-order store and whose?—A. Corner of Leroy and West streets, I believe.

Q. Did you make any application there to ascertain what had caused this abstraction of your property?—A. I believe he handed a letter in there to Collector Murphy.

Q. Was it the store of Leet & Co.?—A. Yes, sir.

Q. Did you send there to see what could be done?—A. Yes, sir; Mr. Leet came to our office, and said that he don't think he has to pay anything to us. We certainly sent in a bill of claim, and he didn't pay anything, and we sued him, and it has not been in court yet.

Q. Were there other cases in which goods were abstracted?—A. We had different cases where the goods was abstracted out of the public store.

Q. State one of those cases and tell us the history of it.—A. It was case of feathers, which arrived in August 3, by the steamer Vandalia.

Q. What kind of feathers?—A. Ostrich feathers.

By Mr. HOWE :

Q. August 3 of what year?—A. It was August the 10th, I mean.

Q. What year?—A. Eighteen hundred and seventy-one.

By Mr. BAYARD :

Q. Is this case where the human hair was taken from the package the only case where the loss has been traced by you in this way to Leet & Co.'s general-order store?—A. Yes.

Q. What do you find in regard to the care taken of the goods in that store? Do you find that opportunities are given for those losses or is care taken to prevent it?—A. I think there is one opportunity given to that effect, as generally it is allowed for parties to take their own goods out of the store, to search for their own goods; and, in fact, it is most always found so, that the carman has to look for their own goods, and they charge us to that effect always for extra labor, on account of looking through the whole store to find out the packages.

Q. The men whom you employ to get your goods away charge you extra labor for looking after packages?—A. Always for Leet & Co.'s warehouse.

Q. Is this a general thing, that people are permitted to go looking all around for their goods?—A. It has been always so in our case.

Q. Do you believe that that gives an opportunity to persons, while professing to look for their own goods, to peculate upon others property?—A. Very often mistakes will happen.

Q. Mistakes of what character?—A. The parties get wrong cases, as it happened in our case, as we stated in the letter.

Q. How?—A. Instead of a case of horse-hair, we received a case of point lace, I believe it was, once.

Q. When did that occur—about when? As you are receiving memorandums from that gentleman, let me ask you is he connected with your house?—A. Yes, sir; he is a clerk.

Mr. BAYARD. We will put him upon the stand, then, directly after you, in order to go on with it.

WITNESS. In about February, 1871, that was.

Q. Tell us how that was; what did you send for?—A. We sent for the case of "L. B. No. 1," and we got—

Q. Containing what?—A. Containing horse-hair.

Q. Where did that come from?—A. I could not tell you exactly any more.

By Mr. HOWE :

Q. When was it you sent for that hair?—A. In February, 1871.

By Mr. BAYARD :

Q. Did you send your permit to the general-order store for that case?—A. Yes; it should have arrived by the steamer Holsatia.

Q. And what was delivered to you?—A. A case with the same mark, but lace; on opening it we found it was something else than our article.

Q. What did you do?—A. We sent them word; this is his receipt.

Q. Is that their bill for it, or a memorandum of your own?—A. It is a receipt from the office.

Q. Is it a memorandum of your own—of your firm?—A. Yes.

Q. This appears to be a receipt of E. H. Fletcher, store-keeper, United States bonded warehouse, corner of Leroy and West streets, on you to deliver to him this case, L. B. 1—case delivered to you by mistake for another case with the same mark and number.—A. Yes, sir.

Q. Did you send it back then?—A. You see—certainly we did.

Q. I see this by the receipt which you have from him?—A. Yes.

Q. Did you then obtain your own case?—A. Yes.

Q. Well, when you got your case, was it the same in appearance as this, the same size or the same weight?—A. I don't think so, because horse-hair is a pretty bulky article.

Q. Very heavy, is it not?—A. Yes, very heavy; but I believe this should have been a small case; this case of horse-hair should have been a small case.

Q. How did the size compare with the case actually delivered you?—A. I don't think I have seen the case delivered to us, at all.

Q. Did you see this case that was sent to you by mistake?—A. Yes, sir; I was shown the case.

Q. Who did you send to obtain that, with the permit?—A. Our truckman.

Q. Was he told to go up-stairs and look for his case?—A. Yes; always is, in fact.

Q. Always does?—A. Yes.

Q. And he went up-stairs and picked out this case, and was permitted to take it away?—A. Yes, sir.

Q. And that was a case containing lace?—A. I believe it was point-lace; it was lace, anyway.

Q. Instead of a case of horse-hair?—A. Yes.

Q. And then the order came upon you to send it back, and you have done so?—A. Yes.

Q. Are these the original receipts?—A. These are the original receipts.

Mr. CASSERLY. Suppose you just read the receipt.

The clerk read the receipt, as follows :

“ OFFICE OF ———, 100 JOHN STREET, NEW YORK,
“ February 24, 1871.

“ Messrs. Lewisohn Bros. will please deliver and return to me, ‘L. B. 1,’ case delivered you by mistake for another case of the same mark and number.

“ E. H. FLETCHER,
“ Store-keeper, United States Bonded Warehouse, corner Leroy and West Streets.”

The clerk also read the order, as follows :

“ Received from Messrs. Lewisohn Bros., in good order, L. B. 1, case per steamer City of Brussels, having been delivered to them by mistake for one case of same mark and number, by steamer Holsatia.

“ E. H. FLETCHER, Store-keeper.

“ NEW YORK, February, 1871.”

Q. Do you understand that this custom of allowing the carmen of merchants to go all through this store and pick out these cases prevails?—A. It has always been, in our case.

Q. You say your carmen charge you for the time and labor occupied by them in looking up your cases?—A. Yes.

Q. Is that because the general-order store-men don't look them up for you?—A. Yes.

Q. Do you understand that if other merchants can send any carmen they choose to employ into those public stores to look up goods themselves, that your goods are necessarily exposed to depredations from those men?—A. I think easily it could happen—something of the kind.

Q. You think the opportunity is given in that way to take packages?—A. Yes, sir.

Q. Is the instance you mentioned of the loss of the package of human hair from this

box, and the other instance where a box of lace was delivered to you instead of a box of horse-hair, the only two instances of irregularity and loss at the general-order store that you can state to us?—A. We never had any other loss there.

Q. State now your losses at other points.—A. In the public stores there is a case of ostrich-feathers, which I alluded to, in February.

Q. Were you apprised of that loss?—A. The case was passed August 15, and we received it in our store the same day, and the case was opened in my presence and the presence of two other parties. We found the goods missing.

Q. What quantity?—A. About \$375 worth of ostrich-feathers.

Q. Were taken out of that case?—A. Yes.

Q. Did you make any application to the appraiser's store?—A. Immediately the next morning I made application myself.

Q. With what result?—A. It was said that the case was correct in the custom-house. It was passed as correct, containing the correct weight.

Q. They had examined it?—A. They had examined the case and found it correct.

Q. And verified its contents?—A. Yes, so it says.

Q. And found that the invoice account of it was correct?—A. Yes.

Q. How did they account for the abstraction of the feathers?—A. That is what we cannot tell. It goes from there in the custody of the carman from the public store; and from there it is sent to our store.

Q. Was the case marked at the appraiser's store, "In bad order?"—A. The condition was in very good order, and even when we received the case it was in good order, and the plumbing in good order.

Q. Was it corded and sealed?—A. Yes, sir.

Q. Was there any mark, when you got the case, of its having been opened?—A. The case had been opened.

Q. I mean a mark where it had been lately opened, after it had been corded and sealed?—A. Not that I could see.

Q. When you opened the case, in what part of it did you find abstraction?—A. It only takes very little room for \$375 worth of ostrich-feathers.

Q. Where did you find the vacuum created by the abstraction of the feathers—in the middle or side of the case?—A. That I could not tell, because the whole amount of it weighed only one pound and fifteen ounces, about.

Q. To make \$375 worth?—A. Yes.

Q. Therefore, the space it occupied was very small?—A. It could occupy a very small space.

Q. Did you get any satisfaction from the public store on that account?—A. The only answer I got from the chief appraiser—that it was impossible to have anything abstracted from the public store.

Q. Did you find that it was impossible to have anything abstracted in the public store?—A. That was the second time there was something abstracted in the same week.

Q. State what that was.—A. It was a case of human hair, that arrived on the 3d day of August here. The case was entered to go to bonded warehouse, and it was examined in the appraiser's store, and it was returned from the appraisers to the bonded warehouse, where it was taken the same day it was entered, and the duty paid, and it was only a very short time in the bonded warehouse.

Q. What amount was taken from it?—A. There was about 4.4 pounds of hair—about \$88.

Q. The loss occurred in the same week, you say, with the loss of the feathers?—A. The same week.

Q. Did you see that case?—A. I think I did.

Q. Was it in good order when it was opened in your store?—A. Yes; the seal was on it, as it generally leaves the public store.

Q. They cord and seal it after it has been opened and examined, I believe?—A. Yes.

Q. Was that all intact when you got it from the custom-house?—A. It was all in order.

Q. Did you make application in regard to that at the public store?—A. Certainly, we made application.

Q. What answer did you get then?—A. They said at the public store that everything was repacked in the case, and correct, and sent to the bonded warehouse from there.

Q. Did they find that case; was it verified, as to its contents, with invoice; did it correspond—this case of hair?—A. Yes, sir.

Q. When they examined the case, did they find its contents?—A. They found it all right.

Q. What other losses have you known?—A. There was a small loss on a vessel from Buenos Ayres—arriving from Buenos Ayres; entered in October; some horse-hair.

Q. What was your loss then?—A. Only about \$45—45 pounds.

Q. Where did the loss occur?—A. It arrived in bad order from the public store, in our store.

Q. And there the loss was discovered?—A. Yes, there the loss was discovered.

Q. Was the bale in bad order?—A. Yes.

Q. Had it been received at the public store in that way?—A. That we don't know.

Q. What did they say about it?—A. The ship's agents claimed that the goods left in good order.

Q. Had the ship a receipt in good order from the carman who took it to the public store?—A. I don't know exactly. I believe it is stated in the letters, the particulars. It is all specified in the letter from Messrs. Bradd & Co.

Q. What is your answer?—A. It is in the letter of the agent from the ship. They say they gave strict orders not to let any hair or wool leave the ship in bad order; that it was probably lost in the custom-house—in the public store.

Q. And you found from the ship-owners that they had taken pains to see that the package had left their ship in good order?—A. So they write.

Q. You don't know whether the carman who took the package from the ship's side to the public store gave a receipt in good order?—A. I do not; no.

Q. What other cases have occurred to you?—A. That is all.

Q. I observe by your correspondence that the customs officers do not admit that the loss occurred in their custody.—A. They say it could not have been in their custody.

Q. What is the result of your examination, and what are your conclusions upon the subject; could the loss have occurred anywhere else than while they were in the public custody?—A. I don't see where they could have been but there.

Q. Have you compared notes on this subject with gentlemen in the importing trade, to know if they have met with similar losses in the public stores?—A. I have not.

Q. You speak only of your own business?—A. Yes.

Q. How have you found the general-order stores in dealing with them; has there been promptness in delivering your goods, or have they been delayed?—A. It generally takes a couple of days to get the package out after the money had been paid for the storage.

Q. What would they charge you for storage?—A. I don't know, exactly.

Q. Do you know how they compare with the storage elsewhere—in the bonded warehouses?—A. I never looked into that matter of the charges at all.

Q. The exception you take, then, is to the delays?—A. The delay and the prompt delivery of the goods.

Q. How long have you ever left the packages in the general-order store before you got them out?—A. We always take them as soon as possible.

Q. I ask you again how long have you ordinarily left them there before you sent for them?—A. It depends upon when the steamer arrives, and we can make the entry. For instance, if the steamer arrives on a holiday, we cannot make the entry, and the goods have to go to the general order.

Q. Then, if you can, you send the permit up the very day—A. The very day we get it we send it.

Q. Do you get them from the ship direct, or from the general-order store mostly; which is the most frequent; have they been already sent to the general-order store by the time your permit reaches the ship?—A. Generally we get them direct from the ship.

Q. But sometimes they go in the general-order store?—A. Sometimes.

Q. How long do you suffer them to remain there?—A. A couple of days.

Q. Any longer than that?—A. I don't think it ever happened any longer.

Q. Do you get them away from there as soon as you can?—A. We take them away as soon as we can.

Q. And do you always get your permit within a day or two after the ship arrives and is ready to discharge?—A. Generally.

Q. Is there any statement which you wish to make in regard to your losses in the public store, or while the goods are in the custody of the Government?—A. No, I don't think so.

By Mr. PRATT:

Q. Referring to the first case that you mentioned in the list of goods—a case of human hair—did I understand you to say that you found at the custom-house the receipt of the carman who had carted the goods to the general-order store, and that he had receipted for the package in good order?—A. In good order.

Q. Do you remember the name of the carman?—A. I don't remember it; I have got it on a memorandum; Gilligan.

Q. Where does he live?—A. That I don't know.

Q. Did you see the receipt yourself?—A. I have not seen it myself, but some of our employés—some parties in our employ have seen it.

Q. Who was it?—A. This gentleman here.

Q. I made this inquiry because I was not aware that the carman gave a receipt to any one when he carted the packages away from the dock, except to the dock-clerk;

that is the reason why I inquire whether you know that those carmen gave what you call a custom-house receipt.—A. Yes.

Q. This package, I understand you to say, should have been sent to the appraiser's store—the public store?—A. Yes.

Q. And, by mistake, it was sent to the general-order store?—A. I don't suppose it was mistake; it was sent on account of the quick discharge of the steamer.

Q. How do you know but what the package was robbed on its way from the dock to the general-order store?—A. I believe they enter in the general-order store—when everything is in bad order it is put down in bad order; also, on this particular point, my young man, who is the chief clerk, can give better information; I am not posted, exactly.

Q. Was it marked at the general-order store as received in bad order there?—A. No; it was not.

Q. In the general-order store—my inquiry is whether it was marked as received in bad order?—A. No; it was not.

Q. You examined the goods particularly, did you, to see if there was any mark of that kind upon the case?—A. Yes; I understand.

Q. Did you examine the box for the purpose of seeing whether there was any indorsement "bad order," at the time that it was received at the general-order store?—A. There was nothing of the kind; there was nothing stated that it was received in bad order at the general-order store.

Q. Then you have not, I understand you to say, any certain knowledge but what the robbery may have taken place between the dock and the general-order store?—A. Yes; we have.

Q. What is it?—A. I think we have.

Q. What evidence have you?—A. I could not give the evidence myself on this point exactly, I believe.

Q. When you had an interview with Leet & Co. upon the subject, did they not claim that it was received in bad order at their store?—A. I didn't have a very long interview with them; I only saw Mr. Leet when he came to tell us that he didn't think he would pay anything.

Q. Was your permit for this case of human hair aboard of the vessel within 48 hours from the time that she landed?—A. I think so.

Q. You say it was there within 48 hours?—A. I think so; I could not tell that exactly.

Q. Was the package designated by the collector as one to be sent to the public store?—A. Yes; it was.

Q. So that it was a mistake in sending it to the general-order store?—A. Yes.

Q. How long did it remain in the general-order store before it was sent to the public store?—A. Only a few days.

Q. Can you tell how many days?—A. No; I could not.

Q. What knowledge or information have you that the robbery did not take place at the appraiser's store?—A. It was delivered in bad order at the appraiser's store.

Q. Was that stamped upon the box or upon the case—"received in bad order?"—A. They always do, in the public store, stamp it on the case, "in bad order."

Q. Whether it is in good order or bad order?—A. No; whenever it is in bad order, it is stamped on the case, "in bad order."

Q. That is the rule of the public store?—A. Yes.

Q. Does not the same rule prevail at the general-order store?—A. I am not posted about that so exactly.

Q. You have been at this store at the corner of Leroy and West streets, have you?—A. No, sir.

Q. Never have been through it?—A. No, sir.

Q. You depend for your information upon what your carmen tell you?—A. Our carmen tell us every time.

Q. Do they tell you that there are always two Government store-keepers present in that store, noticing everything that is going on?—A. I never asked anything more particular about it.

Q. Do you know, as a matter of fact, that there are always, during the day time, two Government store-keepers in charge of the general-order stores?—A. No; I don't.

Q. You don't know that fact?—A. No.

Q. Suppose that is the case, and suppose the goods are all delivered by one door, and the Government store-keeper is always there to notice every package that passes out, what opportunity would there be for a carman to conceal a package?—A. I don't think there would be an opportunity to conceal a package.

Q. To plunder a package, then?—A. In the general-order store?

Q. Yes.—A. I could not tell anything about that; it would be possible.

Q. Now, referring to another case that you mentioned—that of the shipment of horse-hair, where you got the case of lace instead of it.—A. Yes.

Q. Did I understand you to say that the marks and numbers upon both cases were

identical?—A. They correspond; the same mark on our case as the case which was delivered.

Q. Did you make that observation yourself; did you see that yourself?—A. I seen it afterward.

Q. How, then, could the keepers of the general-order store distinguish which was yours, and which belonged to somebody else?—A. They ought to know that on account they know by what steamer the case arrived; our case arrived on another steamer than that case which was delivered.

Q. By that means you think they could have told?—A. They must.

Q. But then they could not know who the goods belonged to; these were all unclaimed goods?—A. Certainly they could not know that.

Q. How should they know whether your goods came by one steamer or another?—A. The permit they get certainly gives the name of the steamer.

Q. How should they know but what that steamer had brought your goods?—A. There is a mark on the case—on every case which arrives—of the name of the steamer.

Q. I do not still see why they should have known that you were not importing this case of lace?—A. Well, I should think there must be some way of finding out; it happens very often that parties have the same mark and number. It would be a very bad way if there was nothing to find out, if they should deliver wrong cases.

Q. In this instance, I understand, you recovered your own case?—A. I recovered my own case.

By Mr. CASSERLY:

Q. Was there any difference of value, and if so, how much, between the two cases?—A. I don't know exactly the value of the cases. I think there was a great difference of value in the cases.

Q. The case of lace was much the most valuable?—A. Considerably, I should think.

By Mr. PRATT:

Q. Now, referring to the case of ostrich-feathers which arrived by the Grandalia, August 10, 1871, was that sent to the public store first?—A. That was sent to the public store.

Q. Now, what evidence have you that that case left the steamer in good order?—A. I got the evidence of the appraisers that they say the case was correct in weight.

Q. That was, that the time it was opened and examined the contents were found all right?—A. Correct.

Q. They were sent direct from the public store to your place of business?—A. Yes, sir.

Q. And when you came to open the case, you found a part of the feathers missing?—A. Yes.

Q. Was this sent by Government carman or by your own carman?—A. Public store carman.

Q. What evidence have you that he didn't rob the case?—A. I have not got any evidence against it; it is in the charge of the Government.

Q. The point you make is, that it was under the Government control, and that you ought to be paid for it?—A. Yes.

Q. Whether the loss occurred by the carmen or examiners in the public store?—A. Yes; whether it was by the contractors of the building or any way.

Q. Now, as to the case of the human hair that was robbed the same week that the loss of the ostrich-feathers occurred; where did that loss occur; at the public store?—A. We cannot tell; it was either at the public store or at the bonded warehouses, which are under the charge of the Government too.

Q. What bonded warehouse was it sent to from the public store?—A. Bixby's, I believe.

Q. That was the time—it was not sent to the general-order store?—A. No; bonded warehouse.

Q. You say that the appraiser said it was sent away from the public store all right?—A. Yes.

Q. Does it frequently happen in your business that your goods are sent under general order?—A. Very seldom, of late.

Q. How long have you been in business?—A. Six years, as importer.

Q. You have enumerated all of the losses that have occurred to you?—A. Well, I don't recollect of any former ones, only the latter.

By Mr. CASSERLY:

Q. What is the name of this gentleman who is your clerk?—A. Mr. Alisch.

Q. How many floors are there on these general-order stores; how many stories high are they?—A. As I said before, I have never been there.

Q. They are large warehouses, are they not?—A. I think so.

Q. How many floors do they generally have to the ordinary warehouses and bonded warehouses in New York?—A. They generally have quite a good many stories.

Q. You were asked something about whether you knew that there were two Government store-keepers there, who were watching everything that came in and went out?—A. Yes.

Q. Suppose one of the Government store-keepers had told you, as he has already told this committee under oath, that fully one-half of their time they were kept busy writing in the office on the lower floor, would you suppose that he could tell very well all the packages that came in and out of that store?—A. No, sir; I don't think it is very likely.

Q. Do you suppose he would know what went on on the various floors of such a store like that, while he and his associate were engaged in their clerical duties in the office below?—A. I should not think so.

Q. As I understand, the general nature of your complaint is, that while your goods are in the custody of the Government, when you are not permitted to cart them with your own cart, or keep them in your own custody, or have any chance to protect them by your own diligence, that they are abstracted and taken from you?—A. These are exactly our complaints.

Q. That is your complaint?—A. Yes.

Q. You think that when the Government takes the custody of the merchant's goods, and deprives him of the opportunity of carting them himself, that they ought to be responsible to him in case they are not cared for?—A. Exactly; we have to pay the duty on the missing goods just the same.

Q. Did you have to pay the duty on these goods that were stolen from you?—A. On all the goods, even on the goods which were ridden into the public store and lost.

Q. Before they came to you?—A. Before they came into our possession.

Q. I understand you that the abstraction of the human hair, to the amount of some \$600 or \$700, you have spoken of, was discovered by the examiners in the appraiser's department, before the goods had ever been in your custody?—A. Yes; before we ever seen them.

A. And yet, upon the quantity that was abstracted, you were compelled to pay duty?—A. Yes.

Q. Has that fact been presented to the collector of the port?—A. I think we presented it; we cannot get anything back.

Q. And yet there has been no allowance made for it?—A. No, sir.

By Mr. PRATT:

Q. Had you paid the duties on these packages that were plundered before you discovered the loss?—A. Exactly.

Q. You had already paid the duties?—A. Yes.

Q. I omitted to ask you how long you allowed your goods to lay in the general-order store before sending for them.—A. Generally?

Q. Yes, sir.—A. I stated, I believe, before, that we always, as soon as we got the permit, and as soon as possible, we sent for them.

Q. Generally, how long is that after they have been put in the store?—A. It is two or three days. But it happens sometimes when the invoice arrives later than the goods themselves, on account of the vessel staying out longer; then the goods go to general order.

Q. What is the longest period that you have ever allowed them to lay in the general-order store?—A. I could not say.

Q. Longer than a week?—A. I don't think it ever did happen.

Q. You generally removed them within two or three days?—A. Within two or three days.

Q. Do you know enough about the manner in which the general-order store is conducted to say whether a record is made by one of the store-keepers in charge of every package that leaves the store?—A. I believe it is put down in the book before the package leaves—the mark and number of the case, and the steamer.

Q. So that the store-keeper is not inside of his office writing, but is outside, taking a note of every package as it leaves the warehouse?—A. I don't know that it is the store-keeper, or who it was.

By Mr. HOWE:

Q. I understand you to say to Mr. Bayard that you were a couple of days—it took you a couple of days to get your goods away from the general-order store. I want to know if you meant to be understood that it is two days after you send for your goods before you can get them?—A. It has happened only within the last month that, after sending, with the permit and the money, to pay for the charges, that it took one carman really several days—that is, he had to go there one day, and he found one package, and he waited and looked around an hour, and then he went the next day again, and looked around the store, and found another couple of packages, and then the third day we got the balance of them.

Q. That happened when?—A. Last month.

Q. In January?—A. In January.

Q. Is that the only instance in which you have been delayed?—A. O, no; it has happened before, but I could not recollect exactly the cases; but this I know exactly. It arrived by the steamer Minnesota.

Q. There were how many packages?—A. I believe there were seven packages.

Q. And it took you three days?—A. Yes; and I was charged, for every case, extra labor by my carman.

Q. How much did those charges amount to?—A. I don't know exactly; I have got my book. One lot I see charged—on five cases he charged a dollar, I see. Would you like to read this?

Q. No. You read it.—A. "One case from Leroy and West streets, 50 cents; and two trucks delayed half a day and labor, \$1; one the 4th of January." That is the book of my carman.

By Mr. CASSERLY:

Q. Does that statement of labor mean extra labor?—A. Yes. Generally they don't charge any labor—only so much a case. These are only instances. It always happens.

Q. That was a dollar and a half?—A. He charged a dollar extra for labor, and 50 cents for the case. That is the general charge.

Q. The delay was a dollar?—A. The delay was a dollar.

By Mr. BAYARD:

Q. In the instance in which a package of the same mark, containing laces, was delivered to you instead of a package containing horse-hair, did the horse-hair and the lace come by the same steamer?—A. No; different steamers.

Q. And the box that was delivered to you came by a steamer which you had no goods by at all?—A. I think we didn't have any goods by that steamer.

Q. But the box that belonged to you rightly came by a totally different vessel?—A. Different steamer; different line, altogether.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872.*

H. ALISCH sworn and examined.

By Mr. BAYARD:

Question. Have you ever visited these general-order stores?—Answer. No; but I have done the custom-house business of my firm; that is all.

Q. Are there any facts you can state?—A. A few facts, perhaps.

Q. I understand you to say that you were in the employ of Messrs. Lewisohn & Bros.?—A. Yes.

Q. How long have you been in their employ?—A. Four years.

Q. In what capacity?—A. As book-keeper and custom-house clerk.

Q. Are you cognizant of this case of which Mr. Lewisohn has spoken, in which goods have been abstracted?—A. Yes.

Q. Have you endeavored to make examinations as to where the losses occurred?—A. I endeavored to see the receipts of the steamers that they had taken from the truckman; I seen the receipt of the officer that was sent along with the bonded truck to the general-order store.

Q. It is called a ticket, is it not?—A. A ticket, marked with the number on the ticket, which the truckman takes along to the general-order store; I seen those tickets.

Q. Were those tickets which you saw, and those packages which were subsequently robbed—was the dock-clerk's receipt, I think it is called, marked "in good order"?—A. It was a clean receipt.

Q. Not marked in bad order?—A. No.

Q. And how was the ticket of the inspector, that went along with the custom-house cart?—A. There was no mark of bad order on that ticket, either.

Q. Where did you see that inspector's ticket?—A. In the custom-house.

Q. Then it was sent by the carman to the general-order house—to the store-keeper there, and by him returned to the custom-house, and still remained with no mark of bad order upon it?—A. That is so.

Q. I understand you that that same case—I understood Mr. Lewisohn to say, that the same case when it reached the public store for examination, from the general-order warehouse, was found to be in bad order?—A. Yes.

Q. Then the only place for the bad order to have occurred to the case was in the general-order store, wasn't it?—A. In the general order, or on the way from the general-order store to the appraiser's store.

Q. Have you ever visited the general-order store?—A. Only the office, paying bills there.

Q. What have you found, in respect of promptness or delay, in delivering the goods to you there?—A. I can only repeat the complaint of our truckmen, that they are very generally delayed very long in getting their goods there; a couple of days sometimes.

Q. Why is it so?—A. I think there is too great a press of business around that store.

Q. Do they tell you anything of the great number of carts that are waiting there in order to obtain goods?—A. Yes, they have to take what they call a turn of several blocks sometimes, before the truck can come up to the door.

Q. How long do you say your carmen say they are delayed there for packages?—A. In several instances, two days; it took them two days to get a certain number of packages.

Q. Have you seen the bills of Leet & Co. for storage?—A. Yes.

Q. Do you also store your goods in other bonded warehouses?—A. Yes.

Q. How did the charge of Leet & Co. compare with those of other bonded warehouses?—A. I think they are about 50 cents a package higher than the others, in all—storage and labor together.

Q. Have you any knowledge of this custom of allowing the carman of almost any merchant to go over the building and room, at large, and take out his package?—A. The only knowledge I have of this is by the report of our truckman, and he was allowed to do so; he has spoken about it.

Q. When he gets there, is he compelled, if he wants his package, to get it out himself?—A. Yes; what he stated to me, that they told him to go and pick out his own packages, and even obliged him to lower them down the hatchway.

Q. Do they charge labor on packages which they caused to be delivered by the labor of your carman?—A. Yes; we have to pay them before we can get the goods.

Q. Do you understand that to be a general thing with your carman, before you can get the goods?—A. I would not say a general thing, but it has certainly happened several times.

Q. You have heard Mr. Lewisohn's statements in regard to the loss in the public store?—A. Yes.

Q. Have you, of your own knowledge, means of verifying the statements he has made?—A. Yes; I think he stated the facts of the case as specified in the ledger.

Q. And the facts that he has stated are known to you to be right?—A. To be correct in the general outline, except in details.

By Mr. PRATT:

Q. Have you ever been upon the dock at the time packages were being sent off to the general-order store, public store, and the bonded warehouses, to notice the process?—A. I have been a good many times around the docks, but I didn't pay particular attention to any such thing.

Q. What I wish to inquire of you is this: whether the carman, in receipting to the dock-clerk for a package, is in the habit of examining it closely and critically for the purpose of seeing whether it is in bad order, whether it has been tampered with, or whether it has been wetted with sea-water, or whether there is any other appearance of damage. Do you know whether they institute that critical examination or not?—A. They certainly would mention to the officer, or dock-clerk, or whoever they have to give a receipt to, if they find a package in bad order—in apparently bad order.

Q. You are stating now an inference. My question was whether you ever observed on the dock whether the carmen were in the habit of instituting a close, critical examination of each package?—A. Do you refer to the Government carmen?

Q. Yes.—A. I could not say that.

Q. Do the carmen complain of delay in getting packages from the general-order store at any time, except when there is a great rush of business, when several vessels are coming in at the same time and discharging?—A. I must say that they receive goods also without such complaint.

Q. Do you know whether at the general-order store of Leet & Co. they keep on hand constantly a sufficient body of men to handle all the packages?—A. I could not testify to that, because I have not been in the store.

Q. I understand you to say that your experience demonstrates that the general-order charges average about 50 cents a package more than the bonded warehouse charges?—A. Yes.

Q. That is your experience?—A. Yes.

By Mr. CASSERLY:

Q. What is the size of the package on which you make the comparison, a large, or small, or a middle size?—A. I would call it a middle-sized case.

FIFTH AVENUE HOTEL, NEW YORK, *February 6, 1872.*

THOMAS F. RIGHTMEYER sworn and examined.

By the CHAIRMAN:

Question. What is your business?—Answer. Butcher.

Q. Have you been employed by the Government in any way?—A. Yes.

Q. In what way?—A. I was appointed store-keeper.

Q. When?—A. I don't know exactly the date. In the fall of 1870.

Q. By whom were you appointed?—A. Collector Murphy.

Q. Go on, and state your connection with the Government, and the circumstances under which you were appointed, and all which pertains to your duties there.—A. I was appointed and only served for fourteen days; therefore, I have not much to state about it.

Q. Give an account of the appointment and of the duties which you performed during the fourteen days.—A. I didn't perform any duty.

Q. Did you receive pay for the fourteen days?—A. I did; yes.

Q. Pay for the non-performance of duty?—A. Yes.

Q. Will you state the ground of your payment—why you hadn't your duties to attend to?—A. I stated to the collector that I could not perform any duties, because my business took all my time, and he stated he could appoint me to a place where I would not have any duties to perform.

Q. Was this an offer of the collector, independent of any suggestion of yours?—A. Yes.

Q. Do you know of any reason why he should have made you such an offer?—A. I don't know of any particular reason.

Q. Is Mr. Murphy in the habit of coming to butchers and offering them positions?—A. Not to my knowledge.

Q. Can't you give a reason—have you any idea why you were appointed?—A. The only reason I know is, that I belonged to the same association, and worked politically with Mr. Murphy through the association.

Q. State any reason in consequence of that connection.—A. He said he wanted me to work with him along in the organization.

Q. Yours being a political organization?—A. Yes, sir.

Q. State the name of it.—A. The Republican Association.

Q. Any particular locality—any name?—A. Eighteenth assembly district; the 21st ward.

Q. What more did Mr. Murphy say to you?—A. That is about all he said at that particular time.

Q. What did you do in connection with that association?—A. I attended to the duties of it—of the association.

Q. What service did you render there for which you should have had the appointment?

Mr. BAYARD. I think the witness has confused his duties in the store-house and the association.

By the CHAIRMAN:

Q. I meant to inquire what you did in connection with the association, which you regarded as services performed under your commission?—A. Mr. Murphy stated that he wanted me to assist him, politically, in the political duties there was in the ward, at that time.

Q. It was a voluntary affair on the part of Mr. Murphy?—A. It was.

Q. Without any solicitation of yours?—A. I didn't solicit it.

Q. Any solicitation by any of your friends?—A. Not of my knowledge.

Q. And you performed no duty as a store-keeper?—A. I did not.

Q. But you received pay for the fourteen days as a public store-keeper?—A. Yes.

By Mr. BAYARD:

Q. You say that you had an official experience of fourteen days?—A. Not much experience.

Q. You had that opportunity of fourteen days to become experienced?—A. Yes.

Q. Where did you first see Mr. Murphy on the subject of giving you this place?—A. In the custom-house.

Q. Did he send for you?—A. A gentleman told me that Mr. Murphy wanted to see me at the custom-house, and I went down there.

Q. Did you know the object of sending for you at that time?—A. I did not, unless it was the object of going to the Saratoga convention. I was named as one of the delegates.

Q. Had you been elected as a delegate?—A. No, sir, not then.

Q. Was there a contest in your party for the delegates to that convention?—A. I think not.

Q. All smooth sailing?—A. No, there was a contest; Mr. Pullman run a separate ticket.

Q. There was some opposition in your party?—A. Yes; Mr. Pullman run a separate ticket of his own.

Q. For the position of delegate in the State convention at Saratoga, was it not?—A. Yes.

Q. How long had you known Mr. Murphy?—A. I have known Mr. Murphy by sight for four or five years; personally, about two years.

Q. Had you always been an active man in your party?—A. Quite so; considered so.

Q. He sent for you to come to the custom-house?—A. Yes, sir.

Q. When you went there, did you find him?—A. Yes, sir.

Q. What passed between you?—A. He spoke in reference to my going to the convention.

Q. About your going?—A. About my going, and other candidates he had mentioned as going.

Q. Was anything said to you about your course in the convention?—A. I don't think there was.

Q. How was the matter broached as to your taking this office?—A. Mr. Murphy asked me if I wanted one. I told him that I didn't have any time to attend to it. I told him my business took all my time.

Q. You mean a place in the custom-house?—A. Yes, sir. I told him my business took about all the time I had to spare, to attend to it.

Q. What did he reply to that?—A. He said he could give me a place that would not require much of my time, or something to that effect.

Q. What was that place called?—A. It was not named at that time.

Q. And you were to have an office in the custom-house which would take none of your time?—A. That was the effect of it.

Mr. PRATT. I understood his answer to be that he would give you a place that would not require much of your time.

By Mr. BAYARD :

Q. Was it understood that you were to have a place that would leave you free as before?—A. Yes, sir.

Q. Was it entirely at Mr. Murphy's suggestion?—A. Yes; it was.

Q. What else passed between you?—A. I don't know of anything.

Q. Was the fact referred to as to your duties as delegate?—A. Yes; they were referred to, that I was named as one of the delegates.

Q. Did he express himself satisfied that you would work for him?—A. Yes.

Q. How long was that after your appointment?—A. It must have been four or five days.

Q. Was that appointment in writing?—A. Yes.

Q. Have you got it?—A. No, sir.

Q. What did you do with it?—A. I don't know; I have not seen it since.

Q. Was it a commission to you from him as a store-keeper?—A. No, sir; I was assigned to that after I had been appointed.

Q. What was your first appointment by Mr. Murphy?—A. I was appointed for store-keeper.

Q. Was that in writing?—A. I think it was; I am not positive.

Q. Was that the only appointment that you had?—A. That was the only one; yes.

Q. Were you assigned to any particular store?—A. I was assigned to a store near the foot of Grand street.

Q. Whose store was that?—A. I don't know.

Q. Did you ever visit it?—A. I went there three times, I think.

Q. In how many weeks?—A. Fourteen days.

Q. Did you perform any duty there at all?—A. I did not; no, sir.

Q. Do you know whose store it was?—A. I do not.

Q. You exercised no official control over the store?—A. No, sir.

Q. Were you called upon to perform any duties, by any one in the custom-house?—A. No, sir.

Q. That was in accordance with Mr. Murphy's understanding with you?—A. I believe it was; so I understood it.

Q. That you were to hold the position and do no work; is that the case?—A. Yes, sir.

Q. What caused you to go out?—A. Well, I don't know exactly what did cause me to go out; I received a notice that my services were no longer required. That was the only cause I know.

Q. From whom?—A. From the collector.

Q. Collector Murphy?—A. I believe so.

Q. Was that in writing?—A. Yes; the notice was in writing.

Q. What did that inform you?—A. My services were no longer required.

Q. It seems your services never had been?—A. It didn't seem as if they had, a great deal.

Q. But that was the form of the notice?—A. That was the form of the notice; yes, sir.

Q. What was the moving cause for Mr. Murphy to offer you a Government office, with pay attached to it, under these circumstances; what was understood between you and him that was the cause of his putting you in that place?—A. I believe the only cause was for me to work politically with him in the ward.

Q. Was it, or not, a reward for political co-operation with him in his party?—A. I suppose it was.

Q. Was that the intention of it?—A. That was what I supposed.

Q. Had it any other design than that, to secure your co-operation with him politically?—A. No other, to my knowledge.

Q. Did Mr. Murphy take any active part in politics in that district?—A. He did; all over the city, I believe, pretty much.

Q. Was his residence in that district?—A. Yes; his residence was in that district.

Q. Did he give a good deal of personal attention to the primary meeting there?—A. He generally attended them; at least he did that year.

Q. Did he take an active interest in your election as delegate?—A. Yes, sir.

Q. And that of other gentlemen?—A. Yes; I believe he did.

Q. Did other custom-house officials interest themselves a good deal in the primaries?—A. Well, they generally did; yes, sir.

Q. Do you find that this is a customary thing, for gentlemen connected with the custom-house to use their position and give their time to the control of primary elections?—A. In our ward, at one or two elections, they generally were there at elections, and did what they could in favor of their own side and ticket.

Q. Are they influential in politics in your party?—A. Some of them.

Q. Do the custom-house men generally pull together?—A. Always pull together.

Q. Always pull the same way in these matters?—A. Yes; that is natural.

Q. Now you have given us the reason for your appointment to this office; give us now your reason for your being suddenly removed from it.—A. The only reason that I can assign is, that I worked against Mr. Murphy for the primary election in the county convention; there was two tickets run there; one of the regular organization, and one Mr. Murphy run. But I co-operated with the regular organization; Mr. Murphy spoke to me about it, and I told him I was going with the regular organization. He said he thought I had made a mistake.

Q. He thought you had?—A. Yes.

Q. How long after the State convention at Saratoga was this county convention had?—A. I don't know exactly; I think it was three or four weeks afterward; somewhere in that neighborhood; I have kept no minute of it.

Q. You say in regard to the delegates to the county convention there was also a contest within the party?—A. Yes.

Q. Then there was an irregular and regular ticket in your party?—A. Yes, sir.

Q. And did you support the regular party?—A. I did.

Q. And Mr. Murphy supported the irregular ticket?—A. He supported his ticket.

Q. State what Mr. Murphy's conversation was with you in regard to your political action?—A. He thought I had made a mistake in working the way I was working.

Q. Did he tell you then anything in regard to your office?—A. No, sir; he only said he thought I had made a mistake.

Q. How long after he found you had made a mistake did he take your office away as inspector—or store-keeper?—A. I think it was four or five or six days after that, or somewhere along there, that I was removed.

Q. I suppose that was a decisive way of proving that you were mistaken?—A. I suppose it was.

Q. Was any other cause given you for your removal?—A. No, sir.

Q. Do you know of any other cause?—A. No, sir; I do not.

Q. We understand, then, that the collector of the port appointed you to an office with pay attached to it, for political service entirely, when no actual service was to be rendered from you to the Government, and when differences in regard to party matters occurred between you, subsequently, he took the office away from you?—A. Yes.

Q. What pay was attached to your office?—A. Four dollars a day.

Q. And that pay, I understand, you drew for the period you held the commission?—A. Yes.

Q. Where did you get your pay?—A. At the custom-house.

Q. What position did you hold in your party association in your district?—A. I was a member of the general committee in that district.

Q. Was anything said by Mr. Murphy to you in regard to your action with respect to the general committee?—A. There was, on one instance.

Q. What was it? To what effect?—A. It was in reference to having two secretaries sign the credentials, which I voted for at the first meeting of the general committee.

Q. Did he approve of that?—A. I think he did. The next meeting I opposed it.

Q. What was the result of that upon his feelings?—A. He said that he thought I had voted wrong, and wanted me to change my vote.

Q. He sought to influence you in regard to that?—A. Yes.

Q. Had you this commission at that time?—A. Yes. This was before the primary election.

Q. After the Saratoga convention?—A. Yes, sir.

Q. Where did these conversations between you and Mr. Murphy occur, in respect to your political action within the party?—A. They occurred in the association-rooms in one case, and in the other in the general-committee rooms.

Q. Did he ever send for you to the custom-house?—A. Not to my knowledge; no, sir.

Q. Were you ever in the custom-house officially?—A. No, sir; nothing more than to go there and get my pay once.

Q. Your head was off then?—A. Yes; it had been for some time then.

By Mr. HOWE:

Q. Ex-official?—A. Ex-official.

By Mr. BAYARD:

Q. Ex-official, as Mr. Howe remarks?—Yes, sir; that is right.

Q. Is there any other matter that you think of, or that you wish to speak of?—A. Not that I think of.

By Mr. HOWE:

Q. You say that you and Mr. Murphy had some talk about your action at the Saratoga convention?—A. Yes, sir.

Q. Did he recommend any course to you?—A. I don't think Mr. Murphy did, no, sir; I don't think he did.

Q. He co-operated in your election, I understand you to say? He assisted in your election?—A. In the election; yes, sir.

Q. In electing you a delegate to that convention?—A. Yes.

Q. And you attended that convention?—A. Yes.

Q. Whereat you nominated a governor?—A. Yes, sir.

Q. Who did you support for governor?—A. I supported the Hon. Horace Greeley.

Q. Did he find any fault with that?—No, sir; he did not.

Q. You think he didn't recommend that to you?—A. No, sir; I don't think he recommended it to me. I asked him who was going to be the candidate and he said Mr. Greeley would be. He said so before we went up there, and I think I spoke to him after we went up there, and he made the same remark.

By Mr. BAYARD:

Q. Did I understand you that your course in the Saratoga convention was satisfactory to Mr. Murphy?—I think it was; I never heard any objections to it.

Q. It was his failure to influence your action in regard to the county convention that caused his displeasure?—A. I think so.

Q. And his taking away this sinecure office he had given you?—A. Yes.

By the CHAIRMAN:

Q. Did you ever think that your appointment was taken away because you had no duties to perform?—A. No, sir; I never thought so.

Q. You never thought that to give you four or five dollars a day without doing anything was the reason of your removal?—A. No; I don't think so.

Q. Do you think that was the reason of removal?—A. No, sir.

Q. Do you think it was a good one?—A. No, sir.

Q. You don't think it would have been?—A. I don't know what it would have been.

Q. But you received \$4 a day for not performing your duty?—A. I did; yes, sir.

Q. Don't you think it would be a good reason for your removal?—A. I don't know but what it would.

By Mr. CASSERLY:

Q. Don't you think it would have been a better reason for not appointing you in the first place?—A. I think it would have been a better reason, yes; much better.

By Mr. BAYARD:

Q. Don't you know from Mr. Murphy giving you this office, and the reasons that accompanied it, that that was not the reason the office was taken from you; that the

office was not taken from you because you would not perform services, but for other reasons?—A. I think it was for other reasons.

By Mr. PRATT:

Q. Was there any work to do in the bonded warehouse to which you were assigned?
—A. I am sure I don't know. I could not answer the question.

Q. I understand you to say that you did visit it three times?—A. I did.

Q. Did you go inside of it?—A. I went in the office.

Q. Did you see any packages there?—A. No, sir; three or four gentlemen sitting there by the desk is all I saw.

Q. What were they doing?—A. Some were talking; one or two of them were writing.

Q. This was at the foot of Grand street?—A. Near the foot of Grand street; not directly at the foot.

Q. Didn't you look through the rooms to see whether there was any package there?
—A. I was in the office; I didn't go in the rooms at all.

Q. Did you report there?—A. No, sir; I went down to see how things were going, and try to get an insight of the arrangement if I could.

Q. Did you make any inquiry as to the nature of your duties?—A. No, sir; I didn't expect any duties.

Q. Did you find any other store-keeper there?—A. There were three or four gentlemen there; I don't know whether they were store-keepers or what.

Q. Do you know whether they were custom-house officers?—A. I don't know.

Q. Did you tell those gentlemen what you came there for?—A. I told them I was appointed a store-keeper and was assigned there.

Q. Did you learn from them anything to do?—A. I didn't ask them for anything to do, and wasn't told of any.

Q. What was your specific object in going there?—A. I thought I would come there and look around, and at any time if I was required for duty I would do so.

Q. Why didn't you?—A. I wanted first to get acquainted with the gentlemen before I inspected much around.

Q. Did you find the proprietor?—A. I saw three or four gentlemen; I don't know who they were.

Q. Did you inquire their business?—A. I did not.

Q. How could you ascertain whether there was anything for you to do without inquiry?—A. I didn't want anything to do.

Q. You reported just for form's sake?—A. Yes, sir.

By Mr. BAYARD:

Q. How many store-keepers were appointed by the Government to carry on that store?—A. I am not acquainted with the business; I could not answer your question.

Q. How many do you say there were there?—A. There were three or four that one morning, and one morning, I believe, there was but two in the office.

Q. You don't know how many were assigned also to that store, as well as yourself?
—A. No, sir; I don't know anything about it.

By Mr. PRATT:

Q. Who was the proprietor of that bonded warehouse?—A. I don't know that.

Q. You never learned his name?—A. No, sir.

Q. You had no curiosity to learn it?—Not any.

By Mr. BAYARD:

Q. That was not in accordance with your understanding with Mr. Murphy—that you should learn anything about your duties at all, was it?—A. I didn't consider it so.

By Mr. PRATT:

Q. How long did you understand, when you received that appointment, that you were to hold it?—A. I didn't understand any specific time at all.

By Mr. BAYARD:

Q. Do you know of any other gentlemen who were engaged in the office, holding it on the same terms as yourself?—A. I do not; no, sir.

Adjourned to 10 o'clock a. m. Wednesday, February 7, 1872.

FIFTH AVENUE HOTEL, NEW YORK, *February 7, 1872—10 a. m.*

Committee called to order pursuant to adjournment.

JUDSON C. WATSON recalled.

By Mr. CASSERLY :

Question. I have here the report or return made by you, on the request of the committee, as to the number of packages received in general order, in the Leroy street store, of Leet & Stocking, according to the ledger kept by the store-keeper, but I see that you have commenced the statement at March 15, 1871; is that correct?—Answer. Yes, sir; that is the date of my going there as store-keeper.

Q. I understood at the time the return was ordered from you that it was to be for the year 1871.—A. Well, I didn't so understand it myself; the question was asked if the actual number of packages counted in the ledger which was here, which was No. 6, and the average made from the balance of the ledgers, which we had made since we had been there, if that would be a correct estimate of the goods received since we were there, and upon that I have based my statement.

Q. My impression is that your report was not to be limited to the ledgers kept since you was there, but to the ledgers for the year 1871; I understand you now to say that you did so understand it?—A. I did not; no, sir.

Q. How many ledgers were filled in the Leroy street store during the year 1871?—A. Five and one-half.

Q. Was it not your statement, when you testified before, that the number was either six or seven?—A. I think my testimony will show that I said we had filled, Mr. Crowl and myself, four, and had started two new ones. We are upon the sixth ledger now ourselves.

Q. Of your own work?—A. Yes, sir; since the 15th of March we have each filled two, and have each started a new ledger on the beginning of the new year, 1872. Four we have filled.

Q. Four that you have filled in 1871?—A. Yes, sir; from March, 1871, to the 1st of January, 1872.

Q. How many ledgers were filled in that year before the 18th of March?—A. Previous to that I find one and a half; that is, taking it from January 1, 1871, up to the 15th of March, when we took the business, there was filled one and a half, which I have here.

Q. Then five and a half is the number you desire to state now as the ledgers for the year 1871?—A. Yes, sir.

Q. The same size with the one you produced here yesterday?—A. They are all alike.

Q. About six hundred pages?—A. Six hundred pages; yes, sir.

Q. In this estimate, then, of the total number of packages, large and small, footing up 89,487, you didn't include the packages received before the 15th of March during the year 1871?—A. No, sir. I would state that that runs up to the 1st of January, 1872, that statement.

Q. In this return you have stated the number of packages, wine, and tin, &c., at 2,099; is that correct?—A. Yes, sir.

Q. What else do you include under the head of small packages, beside cases of wine and tin?—A. I think there are some cases of sardines there. It is mostly wine, however.

Q. Mostly wine?—A. Yes, sir.

Q. How many cases of wine did you estimate, when you were last here, are equivalent in general-order charges to an ordinary-sized package of dry-goods?—A. Ten.

Q. You have the item of bags here, 1,402. What sort of bags are those, generally speaking?—A. Generally they contain caraway seed, and various kinds of seed usually, sometimes sacks of coffee.

Q. What size are they?—A. The ordinary size of coffee-bags.

Q. Containing how many pounds—how many pounds does a bag of coffee contain?—A. I think something like 240 pounds. There is some rice in those bags; they run, I think, about 240 pounds apiece. Seed will weigh lighter, and it occupies the same space and size.

Q. A coffee-bag, then, would occupy a little more space than a flour-barrel, would it not?—A. Well, about the same. They pack them closely, however; they pile them up pretty high.

Q. What is this line, sir, I read, "baled ties"?—A. Those are bundles of ties, iron straps, which they bind hay and cotton with; I think there is about two dozen of those straps in each bundle; they are as large as your wrist, and perhaps as long as this table.

Q. That is, ties for hay-bales?—A. Yes, sir; hay-bales and cotton-bales.

Q. I regret you did not understand my request as I understand it myself, to give us just the statement of packages received in general order for the year 1871, without encroaching on any other year.—A. I think, Mr. Senator, that it can be easily got at.

One ledger is a fair average of all the ledgers; if you take the statement there of the actual count of No. 6, you can multiply that by $5\frac{1}{2}$ and it will give you a fair statement of the goods received in the year 1871, although that statement goes to 1872—the 25th of January, 1872. The ledger which I counted comes within the year 1871—that is No. 6.

Q. I know that; but how far did you go into January with this count?—A. To the best of my recollection, I said, I think, to the 25th of January.

Q. Yes; but ledger No. 6, when you had it here the other day, was finished?—A. Yes, sir; that comes within the year 1871, from August to about the 1st of January.

Q. Then, after all, so far as the end of the year 1871 is concerned, this statement of yours is about correct—that is to say, it does not overrun that year?—A. The date I made that statement was on the 25th of January.

Q. It is the date when you prepared this statement?—A. Yes, sir.

Q. But the statement itself stops with the end of last year?—A. Have I not at the bottom there stated the ledger that is a statement from? I think I have stated the number of ledgers and the number of ledger-pages.

Q. That is true, but you have not stated when your statement terminates. There is no objection, however, to your stating it now. I understood you to say that this statement ends with the year 1871. You had better look at your ledger that you had here the other day, if you have any doubt about it.—A. I have no doubt about it, Mr. Senator. I know we commenced a new ledger on the 1st of January. I can, to get at the actual amount received in the year 1871, take the ledger No. 6, which was a ledger commenced in 1871, and multiply that by five and one-half ledgers which were filled.

Q. Suppose you do that, please.—A. Thirty-three thousand eight hundred and forty packages.

Q. Now add that to 89,487, won't you, and see what was the grand total for that year?—A. It foots 123,327 packages.

Q. I understand that every day you make your returns of the number of packages received to the custom-house?—A. Yes, sir.

Q. At the first days of the sitting of this committee, we received from the custom-house their statement for the year 1871, which I have here and will submit to you presently. It is stated by packages, bundles, plates, and cakes, and so on, and appears to be in as great a detail as yours. It foots up 101,070. Just look at it on the lower part of the sheet handed you. You observe a difference between the custom-house statement and yours?—A. I notice there is a difference; yes, sir.

Q. The difference is between 101,070 packages, which is the custom-house total, and 123,327 packages, which is your total.

Mr. HOWE. For the same time?

Mr. CASSERLY. For the same period.

The WITNESS. I suppose they have got it up to the same time; that I know nothing about.

Q. It reads, Leet & Stocking's warehouse, Leroy and West streets. Number of packages sent to general order during the year 1871.—A. I, of course, don't know how they made up their number of packages at all. They may have made an actual count of their ledgers, the whole of them, for 1871, whereas, in my statements, only one book has been counted, which is ledger No. 6, and an average struck for the balance. Now the actual count of those ledgers may very much reduce my count.

Q. Or it might increase it?—A. Possibly. That I can't tell without actually performing the labor. Upon Senator Stewart's suggestion, one ledger was counted to make an average for the balance, and I was asked if I thought that would be a fair average for the balance, and I thought it would.

By Mr. BAYARD:

Q. He first proposed an average of five pages, did he not?—A. Yes, sir. The ledger was opened by the reporter promiscuously, and five pages were counted, which made an average of 38 or 39 in those pages; actually count of ledger No. 6 makes that within a very small fraction of 36 average to the page.

By Mr. CASSERLY:

Q. How many bags, say the size of a bag of coffee, would be equal to an ordinary-sized dry-goods package, in respect of charges in general order?—A. I don't know really the charges upon a bag. I have never asked, and never knew. I think the price on bags may possibly vary a little according to the weight.

Q. On account of the handling, I suppose?—A. On account of their bringing less or more to a load. The cartage would be increased or decreased according to the weight. I wouldn't like to state what that average would be. In my previous testimony, you remember, I spoke of some blocks of barytes. Those are included in that list. They happened to be in that also. There are about one thousand of them or thereabouts. They call them cakes on the custom-house reports. It's the same thing.

By Mr. BAYARD:

Q. There are only 955 of them in all here?—A. Well, they were broken up some.

By Mr. CASSERLY:

Q. You put them at 961, they say 955; if that is all the difference, it is not a very large one, and perhaps they were as likely to be right as you?—A. Well, they get their report through us, and I don't see how they could alter it.

Q. There is another thing to which I would like to call your attention. Now, there is an entry of a single article which they have put down at 955, and you stated it at 961; as you have observed, their only means of obtaining information was from returns furnished by you?—A. Yes, sir.

Q. How then could there be a discrepancy in that entry?—A. I cannot conceive, unless by clerical error. They have our report there for everything, in actual figures and numbers, for cases.

Q. You can't explain then why there could be a discrepancy in that entry, except on the ground that they have made a clerical error?—A. No, sir; ours must be the original copy from which their book is made out. They have no other source of getting it.

Q. And I suppose that is the only lot of barytes that came that year?—A. It is the only lot I ever saw. It was the only lot that has come in there since I have been there, that I swear positively to, in that shape.

Q. Some testimony, given here since you were here last, makes it necessary for me to ask you with regard to goods when actually received within the doors of the warehouse. You remember we spoke of such a case when last you were a witness here, as to goods permitted at the door?—A. Yes, sir; I think you did. I believe I was not asked, however, on the point myself.

Q. Were you not?—A. I think not. I don't remember of a question being asked on that particular point.

Q. It was some one else who testified?—A. Yes, sir; it must have been.

Q. It was Mr. Van Sorn, I think; he is the superintendent.—A. I think I would have remembered it if you had asked me anything concerning it.

Q. It must have been Mr. Van Sorn, I think; he is the superintendent of Leet & Stocking?—A. Yes, sir; Mr. Charles W. Van Sorn.

Q. I understood the practice to be, when goods are at the door of the warehouse, that, before they have entered the warehouse, the permit is presented, and that they are immediately delivered over to the merchant to be taken away. Is that correct?—A. I would state that those goods passed through the same—they are reported the same as if they had entered the warehouse.

Q. I understand that.—A. And may be delivered from one cart on to the owner's cart, at the door, without actually coming within the warehouse.

Q. That would be the natural course in such a case?—A. Yes, sir; I think I could explain that, sir, so that it could be understood more fully. Instances where that happened are like this: Part of the goods come under general order; two or three cases of the lot are still upon the dock, and the clerk comes and finds that his goods are gone under general order—a part of them—and takes his permit to the custom-house and gets his stamp from the store-keeper, and gets the warehouse department on it. It is no further use on the dock, because it is addressed to the store-keeper; so, then, the carman may go down, if he has a bonded cart, and ride up his own goods to our door—the remaining two cases, or one case—and then get the balance of his load; but his permit is presented at our warehouse for the balance, including these which he brings up himself. The fact of his having had his permit stamped—it is the same permit that he originally would present to the inspector. He simply takes back the same permit to the warehouse department and there gets it stamped with a red stamp. Over the word "inspector" he gets stamped "store-keeper," and upon the back he gets stamped the warehouse stamp of "deliver," or "deliver and transfer as per margin," whatever may be the nature of the permit.

Q. Is the stamp put upon the back, as you have just described, put there in the custom-house, or at the warehouse?—A. At the custom-house, in the warehouse department.

Q. That may happen just as well where but one or two cases have been taken out of the invoice into general order, as where but a few remain upon the dock, may it not?—A. I hardly think it would happen that way, from the fact that, if there was any large amount of goods, and it was found that only a few had gone to general order, they would present the permit on the dock in what they called splitting the permit. It is a thing which makes a little confusion, and they don't like to do it, usually.

Q. Why should there be a practice in regard to a few cases or packages out of an invoice remaining on the dock and not in regard to a great many?—A. Well, I don't know why, but it seems to be the fact, nevertheless.

Q. May it not happen, though?—A. It is possible. I have known of instances, of

course, of that character. Mr. Stewart's permits, for instance, are usually quite a large number. He will take his permit down and catch half his goods on the dock.

Q. Is that permit stamped as a warehouse permit?—A. As I understand it, that permit, if he presents it at the dock, takes whatever is on the dock, on the face of the permit. Then, when he has satisfied that permit, so far as the goods can satisfy it that remain on the dock, he accompanies it to the warehouse and gets it stamped at the warehouse for the balance, which have been rode in.

Q. I understand, but in that case, as in any other, with that permit stamped warehouse, can he stop goods that have not gone into the warehouse, but are on the way, or at the door?—A. He can't stop them, if he has got his permit actually stamped for the warehouse first. The goods must come into the general-order store.

Q. Why, no; I understood you to say a while ago that they didn't actually enter the store, but they are noted there and go upon the books just the same as if they were received into the store—isn't that your statement?—A. The statement is that he may go and get his permits stamped at the warehouse upon Leroy and West streets, when his goods are not actually all in the warehouse. He presents the permit at the warehouse, and while there, perhaps, with the permit, the other two cases come up, or one.

Q. Why do you assume two instead of twenty?—A. I do not; I say the balance of his cases.

Q. Merely to illustrate?—A. Yes, sir. The balance of his cases may be rode up at that time. He may come and find they are not there, and go down to the dock and hurry them up, because then the warehouse is the only place that he can get his goods on that permit, as it is stamped upon that particular warehouse, but the goods may not actually enter the doors of the warehouse, still they pass through the warehouse channels the same.

Q. Books, you mean?—A. Books.

Q. But all such permits as are stamped "warehouse" are in the nature of a charge it between the custom-house and the general-order store?—A. Yes, sir; invariably that is the case. Whatever is reported to the warehouse department, a warehouse is charged with, and must account for.

Q. Now, let me ask you, does a permit stamped "warehouse," show upon the face of it what numbers are stamped as in the warehouse?—A. The face of the permit reads: "A. T. Stewart & Co., from 1850 to 1860; eleven cases;" running those numbers, 1850 to 1860, up on the dock. But that permit calls for those eleven cases, and those eleven cases must be produced at the warehouse. They can be produced at no other place, and the merchant can't get his goods at any other place except at the warehouse.

Q. That I understand; but you and I will take a supposed instance, for the sake of ascertaining what you intend to state as to the practice. Suppose there was an invoice of cases to A. T. Stewart & Co., and after ten of those had gone to general order, a permit is presented stamped "warehouse." Does that permit show what number of cases are intended to be covered by it?—A. It covers the whole of the invoice.

Q. But it does not distinguish between— A. Let me—

Q. Well, let me ask you, because we will help each other about this.—A. I can save your asking the question, I think. You speak of A. T. Stewart having an invoice of fifty cases; those fifty cases may be upon three different classes of permits.

Q. Just assume they're all on one.—A. Well, if they're all duty-paid goods, that permit calls for the whole of that invoice, and the moment that he stamps that for Leroy and West streets—

Q. The moment that who?—A. The owner, the merchant. The moment that he gets his order stamped for the store at Leroy and West streets, although there is only ten cases come into that warehouse, the whole balance of the forty cases must come there before he can get them.

Q. You made all that part of it plain enough already; what I want to know is, whether, on the permit stamped for the warehouse, there is any specification of the cases that are yet actually to go to the warehouse?—A. No, sir; that he can only find out at the warehouse, by our books, by finding out what has come in.

Q. Is there anything on the permit to show, or elsewhere—is there anything to show what other cases actually went into store within your doors, and the number of cases which did not actually go in, but only went there constructively?—A. There is nothing on the permit that will show that.

Q. Is there anything anywhere?—A. No, sir.

Q. Then, for all that class of packages the warehouse charges and receives compensation precisely as though it had received them and stored them there for a month?—

A. Just the same, except as to the matter of cartage. If a man brings them up himself he is paid himself for the cartage, in place of the steamship carman being paid.

Q. That is a question of cartage between the merchant and the carman, namely, who shall pay in the first place, is it not?—A. To the best of my belief, if the merchant's carman rides them up there he is paid cartage there and then, or whenever he

asks for it. If he rides two cases in, in place of the carman assigned to that district he gets the pay for it.

Q. From whom?—A. From the warehousemen, Leet & Stocking. The cartage has to be paid to some person; it may be paid to the merchant's carman who rides them in.

Q. Are you quite sure of that?—A. That's my belief.

Q. Mr. Stewart has testified here that he has a regular contract with his carman to do all his carting at 40 cents a package, no matter what the distance. I see a difficulty in the statement you have just made as to the payment to Mr. Stewart's carman of his charge for cartage by the warehouse, in view of that state of facts.—A. Mr. Stewart doesn't pay the carman for riding his goods into general order; that cartage should be paid by the steamship carman. If Mr. Stewart's carman actually goes down to facilitate matters, and hurry his goods up, rides them in himself, he performs the labor of the steamship carman—not any of A. T. Stewart's work at all. That is not part of his work for which he pays this 40 cents.

Q. I am only relying on your own testimony. Let's see, now; I understood you to say— A. Perhaps I say that I know nothing at all about that. I have merely stated it as I understood it.

Q. Well, let me trouble you upon one point as to which you have testified, I think, without any hesitation. When there is a permit stamped "warehouse" at the custom-house, returned to the dock in the case I have supposed, with forty packages in the same invoice, still on the dock, has his carman the right to cart those packages to the general-order store? I understood you to say that he had and that was the practice?—A. I understood your question to be this: that when a permit was stamped "warehouse" and presented at the dock; that can't be.

Q. What can't be?—A. They wouldn't get a permit stamped for warehouse and present it at the dock. I think that was your question.

Q. The statement to which I ask your testimony is this: Suppose an invoice of fifty cases upon the same permit to A. T. Stewart & Co., and that twenty of those go to general order after forty-eight hours have elapsed. Before the rest go, Mr. Stewart gets his permit stamped "warehouse" at the custom-house, and returns them to prevent the rest from going into general order, that is to say from *actually* going there, either to save time or for any other cause, because he wanted to sell the goods for instance; in that case has Mr. Stewart the right or not to cart those goods by his own carman to the general-order store, in order to go through the form of presenting them there and having you permit them to be taken away?—A. In the first place, by getting that permit stamped that way he can't prevent his goods going there.

Q. I understand that—they must go to the door of your warehouse?—A. If he don't ride them there some person must before he can get them. He may be allowed to ride some of those cases there and he may not.

Q. Why?—A. It depends upon the inspector. The inspector will let him ride; then as a bonded carman he will ride them up in the same way that goods can be transferred to the public store by any other carman than the carman who is assigned for the duty—that I have an order from the collector in certain cases to allow me to go and get another carman to transfer those goods; in the same way the inspector on the dock, if the district carman is not there with his trucks, may call another bonded carman to send goods, or to send up steamship goods, or he can allow steamship carmen to cart them up, provided he has a custom-house license.

Q. I understood you to say a little while ago that a merchant who has in his hand a permit, stamped "warehouse," may remove as far as the general-order warehouse such packages of his as remain on the dock by his own bonded carman.—A. That has actually taken place.

Q. Is there anything irregular in that?—A. I don't think there is; I may be mistaken; I don't think there is.

Q. But as to where the merchant's carman doing that work gets his pay for it, you don't undertake to say?—A. That point I will say nothing about.

Q. You wish to withdraw, then, what you stated on that point?—A. Yes, sir; I might say a thing that is not so, from a wrong impression. Some person has to get paid, I believe; I don't know how it's done.

Q. Is there any class of goods for which storage is charged, although the goods are never actually put within the doors of a warehouse?—A. Since I have been there at Leroy and West streets, I have known of a lot of granite for one thing, and a lot of machinery. I think those two instances are the only two I have known of since I have been there, and those were on account of the extreme great weight and bulkiness of the packages; they were put outside.

Q. Whose machinery was that?—A. Really I don't know.

Q. Did you observe the testimony given by Mr. Buchanan before the committee?—A. Yes, sir; I have read that.

Q. Was it his machinery?—A. It might be; I presume it was.

Q. That was machinery which was lightered away afterward by the owner; do you

remember anything about that?—A. It was never weighed there; I don't know what the weight of it was.

Q. *Lightered* away, I said.—A. O, yes; from pier 49; right from our pier.

Q. It was the same machinery?—A. Yes, sir; the same machinery.

Q. What was the quantity of granite you speak of?—A. I think there were nine blocks, speaking from my memory.

Q. Are you sure those are the only two cases you know of where goods that were left out of doors were charged for storage, as though they had been taken in that warehouse?—A. The only cases are machinery and the blocks of granite. I don't know that the same party owned the whole machinery. I think part of that machinery was taken away at one time and part at another. I only speak from memory, however; I wouldn't like to swear positively about it.

Q. Did the whole lot of machinery come at one time or at different times?—A. I think it came from one ship.

Q. But it might have been on two separate invoices to as many different consignees?—A. It might have been.

Q. Is there any other case of constructive storage in your memory?—A. No, sir; not that I know of.

By Mr. BAYARD:

Q. I would like to ask you to explain a thing to me. We will suppose the case of a merchant who has imported one hundred packages, and they are discharged under general order, and have been marked for the general-order stores on the first day of unloading of the steamship. The merchant sends up to the wharf his duty-paid permit, and he discovers that twenty cases of the one hundred have been sent to the general-order store. Now, do I understand that he cannot, with the duty-paid permit in the hands of his agent, obtain the other eighty from the inspector?—A. I believe that to be wholly within the jurisdiction of the inspector to allow him to take them or not; if those goods have actually passed the inspector's office as general-order goods, and been booked upon the inspector's books as general-order goods, and for which he has given the ticket, although they may not have actually been rode off the dock, still they are virtually in general order, and he cannot get them.

Q. Do I understand you, then, that the inspector gives the general-order ticket before the carman gets the goods?—A. He passes the goods as they come by his window, either to general order, warehouse, or public store.

Q. I'm aware of that.—A. The goods which you speak of have passed his office, and have been sent into general order; as they pass the window they do make a ticket out for each package.

Q. To whom is that ticket delivered?—A. To the carman, or his clerk, on the dock.

Q. Has the carman a clerk?—A. Yes, sir.

Q. Then the tickets are delivered to the carman before the carman gets the goods?—A. Yes, sir. He comes down there and gets the tickets for all the general-order goods, which are put on one place on the dock.

Q. Suppose that a merchant arrives there with his duty-paid permit, and finds eighty of his packages out of the one hundred on the dock, and he presents his permit to the officer, but because they have been marked general order, he is not permitted to take them himself?—A. No, sir.

Q. He is not permitted?—A. Not unless the inspector, of his good graces, allows him to do it. That's the way it is, actually.

Q. The merchant, then, stands there with the goods before him on the dock, the eighty packages, with the duty-paid permit in his hands, but he is not allowed to carry away the goods in accordance with that permit?—A. Not if they have passed into general order.

Q. You say that they have simply gone through the form of passing the inspector's office, and have been marked?—A. Marked and booked you might say, and ticketed to general order, both.

Q. You say those tickets are delivered to the custom-house carman's clerk before he gets possession of the goods?—A. He has a little box—a tray we will call it—with the letters in the tray, A, B, C, D, &c.; he goes down and gets his general-order tickets after the goods have passed up into general order, and sorts those tickets out, loads the goods in promiscuously, picks his tickets all out, and those goods are rode away as fast as he can ride them, and the merchant can't get them after the tickets have passed into general order—can't get them unless the inspector gives him the privilege.

Q. Then, although the merchant reached the dock within the first twenty-four hours with his duty-paid permit for the delivery of some of the goods, if it so happened that the custom-house inspector had marked them for general order, the merchant could not touch them, but they would be carried up first to the general-order store; is that the case, sir?—A. That's what I mean to state.

Q. Then is the merchant compelled to follow his goods from the dock, where he was all prepared to take them, where he had everything authorizing him to take them, up

to the general-order store and get them at the door of that store; is that the case?—A. Unless the inspector allows him to take them off the dock.

Q. Well, just suppose that the inspector, at his own sweet will, did not permit him to take them off the dock?—A. Then, sir, he must take the goods at the general-order store.

Q. Then he must follow his goods on another man's cart up to the general-order store?—A. Yes, sir.

Q. Then you take a note of them, I understand?—A. Yes, sir.

Q. Do you take note of them personally, or are they reported to you by the receiving clerk of Leet & Stocking?—A. Reported through the inspector's tickets which we get at the receiving door.

Q. That is, reported to you by the receiving clerk?—A. He checks the goods in.

Q. And hands you the ticket?—A. Yes, sir.

Q. Now, sir, we have got the goods at the door of the general-order store, where they have been subjected to the charges of cartage, and, as I understand you, of storage, labor, and so forth; the merchant has been ready to take them from the dock all that while. I want to ask you, will the duty-paid permit which he brought to the dock suffice to take those packages from the general-order store?—A. Not until he has gone to the custom-house and got it stamped upon Leroy and West streets, or the general-order store. I believe, although I am not an inspector, that he can, upon presenting his permit on the dock, and finding that he couldn't get his goods, that they were passed into general order, part actually gone into store, in the place of following the goods he can go right to the custom-house to get his permit stamped for the Leroy and West streets store; and if he himself would do that first, by the time he got back his goods would be just there.

Q. I wish practically to trace the history of this system. Arriving at the dock, then, and finding eighty packages out of one hundred still there within the first twenty-four hours, he is compelled to turn to the warehouse department of the custom-house and have a new stamp put upon the permit?—A. Yes, sir; where it says, "Inspection duties having been paid on these goods, you will deliver the so and so," it has the word "store-keeper" stamped with a red stamp over the word "inspector;" then it is addressed to me, and upon the back of the permit is stamped "Leroy and West streets," also, "deliver," or "deliver and transfer as per margin," whatever the face of the permit may call for.

Q. Having first had a duty-paid permit directed to the inspector, and finding his goods on the dock, he can't get them because they have been marked general order; he then returns to the custom-house and has a second stamp put on, which obliterates the name "inspector" and substitutes the name "store-keeper"—say Mr. Watson, for instance—at Leet & Co.'s store; then, armed with that, he reaches the general-order store in time to find his goods just arriving there, and as fast as they arrive they are transferred from the custom-house carts to his own without ever having entered the store at all?—A. That may be the case.

Q. Now, in this case, I understand you to say that the charge for cartage, storage, and labor by Leet & Co. is made upon the whole invoice?—A. Certainly.

Q. Now, suppose when he reaches the dock with his duty-paid permit, directed to the inspector, the inspector is good enough to let that permit be executed—to respond to it and deliver the merchant the goods that are before his eyes on the dock, and he gets his eighty cases without having them first sent up to the general-order store actually, and without having to go down to the custom-house and have the inspector's name erased and the store-keeper's name substituted; if that be the case, and only twenty of these packages have gone to the general-order store, do Leet & Co. charge him storage upon the whole invoice?—A. No, sir; that they don't.

Q. Is that within your own knowledge?—A. O, yes.

Q. Sir?—A. They could not charge for the goods, because they don't actually appear upon our books; they can only charge for the goods that appear on our books—the goods actually received; they must pass through the channel; tickets must be presented there. In the case you mentioned the inspector would go to work and alter the disposition that he had made of those goods; in the place of making them general order, his disposition of those goods would have to be altered for the eighty cases.

Q. Then, you say of your own knowledge, in a case of that kind, where there has been, for instance, an invoice of one hundred packages, only twenty of which have actually reached the door of the general-order store, that the charges of labor, cartage, &c., have not been made on the whole one hundred by Leet & Co.?—A. Yes, sir.

Q. You know that to be the fact?—A. Yes, sir.

Q. By their books?—A. Not by their books; but I know that to be an unheard-of transaction, so far as that warehouse is concerned; goods must appear on their books. They have only got the same goods we have got on our books.

Q. Their store is, of course, a bonded warehouse?—A. Yes, sir.

Q. It has likewise been designated as a receptacle for general-order goods?—A. Yes, sir.

Q. Do they not warehouse goods that are general-order goods at all?—A. Yes, sir.

Q. Do you take account of those?—A. Yes, sir.

Q. Just the same as others?—A. Yes, sir.

Q. Are those included in the account you have given, or are they only the general-order goods you have included here?—A. There are very few goods outside of what is included in this statement—very few goods warehoused there from the ship.⁴ There's this difference: there are a few people who warehouse or bond their goods there, and have them sent direct to the ship from the warehouse. Then there are a great many goods which are warehoused after they have been sent in as general-order.

Q. I understand that, but I am speaking of goods——?—A. But the warehouse goods which have been warehoused from the ship into that store are not included in this statement.

Q. Then they don't find themselves on these records at all, that you have been giving to us?—A. No, sir.

Q. They are over and above what you have mentioned?—A. They are a separate account entirely.

Q. Where are your accounts of those goods kept and to be found?—A. They are kept in a different ledger, separate entirely, a regular warehouse ledger.

Q. Nothing to do with the schedule and estimate you have made here?—A. Nothing to do with general-order goods.

By Mr. PRATT :

Q. I wish to ask you one question. As I understand the matter, the inspector sends packages of goods to the general-order store by virtue of an order that he receives from the collector?—A. Yes, sir.

Q. That order is only given after the lapse of forty-eight hours from the time that the vessel is entered, and only as to goods upon which the duties have not been paid up to that time. Am I correct in that?—A. I hardly think you are.

Q. What are the facts then?—A. Well, I do not, Mr. Senator, pretend to be an expert upon these things. My opinion is that the custom-house laws or the orders of the collector are that the ship may commence discharging immediately when she strikes the dock, and when the goods are put out of the ship and on the dock they must pass the inspector. The inspector must make his disposition of those goods as they pass his office. If there's no permit for those goods they must go to general order. There's no other place to put them; of course, he has no knowledge where the goods are going, whose they are, or what they are; they must be passed at general order if there is no permit there for them, and some disposition must be made of them as they come out of the ship and pass his office.

Q. So that they may be sent to general-order store then by the direction of the inspector within forty-eight hours after the time the vessel has been entered?—A. Yes, sir; if that is the case they come under certain rules about the payment of the charges.

Q. After this order had been given to the inspector to send certain goods to the general-order store how could the collector afterward issue a permit to the merchant, allowing him—having paid his duty—to cart away his goods, in contravention of the order already given to the inspector to send these goods to the general-order store?—A. The inspector acts upon his general instructions in the discharge of any ship, passes the goods up the dock according to the rule of the custom-house; there is nothing in that which prevents the merchant going down and paying his duty and presenting his permit at the dock for his goods.

Q. That would amount, then, to a rescision of the first order to send these goods to the general-order store, would it?—A. The collector does not actually give a specific order for any man's goods. It is for all goods in the ship. It is not for any particular man's goods that shall be sent to general order; it is all the goods promiscuously coming out of the ship.

By Mr. HOWE :

Q. Unclaimed?—A. Yes, sir; they are, until the permit is presented. When a man goes to the custom-house he goes there to claim his goods and make certain disposition of them, and until that inspector gets that permit he has no other disposition to make of the goods except to send them to general order, and he sends them to general order by passing them by his office up the dock to a place designated on the dock, with a sign put over it, "General-order goods." He has nothing more to do with the goods then really at all, except to see that the carman takes them and clears the dock.

By Mr. PRATT :

Q. After the goods have passed his office, and he has designated them to be sent to the general-order store, how can he afterward rescind this order and allow a merchant to cart away his goods upon the presentation of the permit?—A. I don't think he can lawfully.

By Mr. BAYARD :

Q. You have been asked in regard to this being an order from the collector to send these goods to a certain point; is there any such order given at all; is it not a mere permission for the vessel to be discharged just as she has arrived, and at once?—A. The vessel obtains an order to discharge herself—what they call a general order, I believe. If that, that general order comes, I think, to them in forty-eight hours' time.

Q. Do you not know that it is frequently begun as soon as the vessel touches the dock?—A. Yes, sir.

Q. The goods passed out instantly?—A. Yes, sir.

Q. And if there are no special permits there from the merchant, they are sent off to the general order at once?—A. That is the only place for them designated by the collector.

Q. Then, there is, in fact, no such thing, in form or fact, as a rescision of any general order in favor of the especial permit, but simply that the special permit allows him to get his goods, provided they haven't been marked, as you have stated already, for public store?—A. Yes, sir.

By Mr. CASSERLY :

Q. Is it not also true that, under the operation of that general order, every package would go to the general-order store unless the merchant was there in season with the proper permit to send them to a particular place?—A. Yes, sir.

Q. Either the public store or a bonded warehouse?—A. Yes, sir; if no person appeared to claim the goods coming from that ship—if no one person appeared either to claim any package or all other packages, they would all go to general-order store. They must go off the dock. The collector takes possession of them and designates a warehouse to receive them.

Q. The legal effect of the merchant's permit, during the operation of the general order, is to allow him to receive from the ship's tackles, under certain conditions, specified packages of merchandise?—A. Yes, sir.

Q. Isn't that correct?—A. Yes, sir.

Q. And, except as to the goods for which such a permit is seasonably shown to the inspector, the rest go to general order?—A. Yes, sir; they should.

Q. I think, myself, that there ought to be some regulation by which the inspector would be under a duty to permit goods to be taken away on a duty-paid permit before they left the dock. That's merely an expression of opinion of mine, however, and I understand you to say you have some doubt of the lawful power of the inspector to grant so reasonable a request?—A. All that he knows is the collector's order, and that is, that the goods unclaimed he sends to the general-order store if they pass his office. If he undoes it, he does something, I suppose, contrary to law which he acted on in the first instance.

Q. A merchant's permit is a collector's order, isn't it?—A. Yes, sir; but it comes to him too late.

LEROY AND WEST STREETS,
New York, February 19, 1872.

SIR: Since giving my testimony before your committee, February 7, 1872, I have made an actual count of the number of packages, "large and small," which came into the general-order warehouse, corner of Leroy and West streets, during the year 1871, resulting as follows:

Ledger No. 2.....	19,965
Ledger No. 3.....	8,288
Ledger No. 4.....	18,083
Ledger No. 5.....	17,454
Ledger No. 6.....	21,422
Ledger No. 7.....	15,293
Total.....	100,505

Respectfully, your obedient servant,

JUDSON C. WATSON,
Store-keeper.

Hon. WILLIAM A. BUCKINGHAM,
Chairman Senatorial Retrenchment Committee.

P. S.—My previous statement was made up from the count of one ledger, No. 6, and the balance averaged from that, which footed up 123,000, and odd. The count of the

balance of ledgers now shows that average was too great, as Ledger No. 6 contains more than any other one ledger.

Your obedient servant,

J. C. WATSON,
Store-keeper.

Return of goods received at bonded warehouse, Leroy and West streets, on January 25, 1772.

STATEMENT OF THE NUMBER OF PACKAGES CONTAINED IN LEDGER NO. 6.

Ordinary-sized packages.....	13,648
Small-sized packages, wine, tin, &c.....	2,099
Bags	1,402
Bale-ties	953
Chests tea	293
Kegs.....	892
Coils of wire.....	1,016
Anvils	26
Blocks of barytes.....	961
Blocks of wood	81
Baskets.....	35
Tires	16
Total small in No. 6	7,774
Total ordinary in No. 6.....	13,648
Total.....	21,422
Number of pages in No. 6 Ledger.....	599
Number of pages in balance of ledgers ..	1,894
Average per page, $35\frac{1}{6}$.	
$1,894 \times 35\frac{1}{6}$	
	68,065
Total pages.....	2,493
Grand total.....	89,487
Respectfully submitted.	

J. C. WATSON,
Store-keeper, Leroy and West Streets.

FIFTH AVENUE HOTEL, NEW YORK, February 7, 1872.

WILLIAM A. DARLING sworn and examined.

By Mr. BAYARD:

Question. You are the appraiser of the port?—Answer. Yes, sir.

Q. At my suggestion copies of the catalogues of goods remaining in public store and to be sold, unclaimed goods, merchandise held there under seizure, were furnished, I believe, by you, in response to an order of the committee, were they not, sir?—A. Yes, sir. I would state that it was not exactly regular for the committee to make the application to me. It should have been done—made to the collector. Of course, not desiring to be technical in the matter, I addressed a communication to the collector, requesting him to furnish me with the printed catalogues, which he did, and through me—I was made the channel of communication with the committee.

Q. Then the preparation of this catalogue, and the method of sale under the catalogues, is not within the province of your department?—A. Not at all; no, sir. All that I have to do is to appraise the value of goods before they are sold, and certify to it, in order that the Government may get the benefit of that appraisement in the duties that the goods are to pay.

Q. Owing to your response to the order of the committee, I had supposed that the subject was within your jurisdiction. If you had stated that this was not a matter within your jurisdiction, then we would have summoned a person who did know.—A. I might have done that, but, from the fact that my name has to attach officially to the appraisement of the goods, I couldn't undertake to assume what the object of the

committee might be in making the request, as it might possibly affect the question of the appraisement of the goods.

Q. Do not understand me as finding the least fault, sir. Will you be kind enough to look at this catalogue, which is one of those you furnished; from whom did you obtain that?—A. This was obtained from the collector.

Q. That I see is the catalogue of December 20, 1871?—A. Yes, sir.

Q. How often are those sales made?—A. I think they are made about twice a year.

Q. Can you give us a reference to that act of Congress under which these sales take place, and the regulation of them?—A. No, sir.

Q. When are you called upon to appraise the merchandise catalogued thus?—A. After the goods are catalogued, a descriptive list of all the goods contained in the store to be sold is prepared, and I am notified to come there and make an appraisement. I send the experts from the department over there, and go through thoroughly every package—all the goods—and see whether the description agrees with the goods, and place their value upon them. After that I go in person and go through the goods and see the goods, all of them, and if I think there's any excessive appraisement or under-appraisement, so far as my judgment extends, it is corrected. It is a mere supervisory act, however.

Q. Now, sir, the first notification you have consists in your reception of a descriptive list of all the articles to be appraised and included in the catalogue?—A. The descriptive list is never sent to the appraiser's office. The appraiser is notified to come over to the store and make an appraisement on the goods; the descriptive list is there.

Q. Who prepares that descriptive list?—A. That's prepared by the superintendent.

Q. Who's he, sir?—A. He's my son, William L. Darling.

Q. What is his department?—A. He is superintendent of the store for unclaimed goods—21, I think, South William street.

Q. His title is superintendent?—A. I think that's his title—superintendent of the store for unclaimed goods.

Q. Then he can give us the basis upon which he forms this descriptive list?—A. Yes, sir; I suppose so. The list is an inventory of the goods sent there.

Q. Now, I'll ask you whether the inventory that you find, or that your deputies or assistants find when they go to this place, is similar to the catalogue as we now have it, with the exception that the valuation, the appraisement, hasn't been attached.—A. Yes, sir.

Q. That's the case?—A. It is assumed to be.

Q. The same thing?—A. The same thing; yes, sir.

Q. Then what you go by in appraisement is just what is here?—A. Yes, sir.

Q. And the addition that you make is the valuation which we find in this column?—A. That is all, sir.

Q. Then do I understand you that these catalogues are the descriptive lists with valuation added?—A. I presume so, sir; unless they are altered after the written list, before they are sent to the printer, which, I presume, is not done.

Q. In looking over that fact, I want to know whether there is ever a fuller description in writing of the contents of these goods than we find in this catalogue?—A. No, sir; I think not; that is my impression.

Q. You send over appraisers and they examine these goods?—A. I send over experts; yes, sir.

Q. They make appraisements upon what they find there?—A. Yes, sir.

Q. The whole proceeds of these goods is turned into the public Treasury, excepting what; what is the deduction made?—A. I don't know, sir; unless it is the expense of handling the goods.

Q. The expense of storage?—A. I have no actual knowledge of that.

Q. Who does know that; your son?—A. Deputy Collector James is the head of that division in the custom-house—warehouse division.

Q. O, yes; Thomas L. James, I think, his name is; the gentleman who has been examined before; he is head of that bureau?—A. He is the head of that bureau. This don't include, I think, seized goods; I think there is another sale; I think they are sold separate from the unclaimed goods; I think there is a distinction.

Q. Not included in the same catalogue?—A. No, sir; it not unfrequently happens that the unclaimed goods are sometimes claimed before the sale and taken out of the sale by parties.

Q. Do you appraise the seized goods?—A. Yes, sir.

Q. Separately?—A. Yes, sir; that is done as fast as the goods are seized, generally.

Q. Are the descriptive lists about of the same character as these?—A. There are no descriptive lists of the appraisements on seized goods. Goods are seized sometimes after appraisement; the appraisement causes the seizure of the goods.

Q. Precisely so, but when you advertise them for sale and propose to describe them, is the description about of the same character that this is here for the unclaimed goods?—A. I really don't know about that.

Q. Can you furnish us with catalogues of the sales of seized goods?—A. No, sir.

Q. Who can do that?—A. The collector, and, I suppose, Mr. Clark, head of the seizure bureau in the custom-house; Deputy Collector Clark would probably have competent testimony on that point.

By Mr. PRATT:

Q. I wish to know whether the goods that are sent to the store of which your son is superintendent, which you have designated as the store for unclaimed goods, are sent from any other store except the appraiser's store and the general-order store?—A. I believe they are sent also from bonded warehouses.

Q. Exactly that way?—A. Well, no; I don't know that there would be; I presume that's all; sent from general order and from the appraiser's store.

Q. Now you say that you appraise all the goods that are seized; do I understand you to refer to that class of goods that are seized and put in the seizure-room of the custom-house?—A. Yes, sir.

Q. Do you also appraise these goods which are seized by the chief of the secret-service division, Colonel Whiteley, or by his subordinates?—A. I can't answer that question of my own knowledge. I presume that all the goods seized go to the store-room in the custom-house, and I have an appraiser—an expert detective—who goes there and puts an appraisement on all the goods in the seizure-room.

Q. But you are aware that there are other officers who are authorized by law, inspectors, for example, to seize goods, that don't go to the seizure-room. I want to inquire if you have any authority to appraise those goods?—A. Yes, sir; we have authority to appraise all the goods that are seized or claim made that they are subject to duty.

Q. Would you appraise those goods which are seized on account of violation of internal-revenue law?—A. No, sir.

By Mr. BAYARD:

Q. To save trouble of calling more witnesses than are necessary on this point, I wish to ask you whether you believe William L. Darling would be capable of giving us the history of the preparation of those catalogues?—A. He has not been there so long as some other persons, but I should think he was entirely competent, sir, to give you all the information.

Q. I find in my papers here a memorandum—I don't know by whom furnished—O, yes; it was by Mr. Tompkins, the deputy collector, who suggested that the catalogues were made out by Mr. Hay.—A. Mr. Frank Hay was the superintendent prior to last July, and catalogue 2 at that time had been made up under Mr. Hay's supervision. He had been there some little time, and I suppose either one of them would be perfectly competent.

Q. You say that you do, also, make separate appraisements for the sale of the articles to be exposed for sale which have been seized for violation of the revenue law?—A. Yes, sir.

Q. How do your people ascertain those values, sir?—A. By personal examination of the goods.

Q. Do you know anything of the extent of that examination?—A. It has generally been confided to Colonel Burt, the assistant appraiser of the second division, who was formerly superintendent of that store some years ago. He was appointed assistant appraiser by General Palmer, and had a very thorough and complete knowledge of the whole thing.

Q. Where is he now?—A. He is the assistant appraiser of the second division.

Q. What's his full name?—A. James Burt. I think he's about as good authority on that unclaimed store question as anybody you can get. The reason of his experience there and his familiarity, he has, generally, been selected to conduct these appraisements, and he has required the assistance of such examiners in the department—in the bureau divisions—as to make them competent to pass on the values of the goods that he is not familiar with himself.

Q. He would give us information as to the appraisement of unclaimed and seized goods?—A. Probably not as to the seized goods. The examination of the seized goods is in the first division; that is Assistant Appraiser Townley's division. The division of the duties of assistant appraiser brings that branch of the examination within his division.

Q. Then Mr. Townley can inform us as to the appraisement of the seized goods that are sold by public sale?—A. Yes, sir.

Q. I understand you have nothing to do with the preparation of this descriptive-list or of the catalogue?—A. No, sir.

Q. Did you ever attend any of the sales?—A. No, sir.

Q. Have no personal knowledge about that?—A. No, sir.

Q. Your assistants simply make the valuations that we find here?—A. That's all; I give it my official supervision.

By the CHAIRMAN :

Q. I would inquire whether the goods which are sold, appraised by you, are exposed to those who wish to buy before they purchase?—A. Yes, sir; I believe they are.

Q. Do you know?—A. I don't know of my personal knowledge, but I have reason—I have no personal knowledge. While I am here, I would like to say to the committee that there has been a great many allegations made in regard to spoliations of goods and so forth; and there seems to be a very confused idea in the public mind, and not only they, but also merchants and importers, as to the responsibility connected with the public store. The appraiser's department seems to be charged with a great deal in that connection, over which it has no control and not responsible for. If the committee desires any information on that subject, I will give them such as I have.

By Mr. PRATT:

Q. I wish to ask you one or two questions more. I understand you to say that these sales of unclaimed goods occur generally twice a year?—A. Yes, sir. There has been two sales since I have been appraiser.

Q. How long do the goods lie in the public store and in the general-order store before the sale?—A. I don't know, sir. Every sale cleans out the store, as I understand it. It is intended to clean out the store, and then an accumulation commences after the lapse of a certain time. What that precise time was I don't know, because it is not connected with my department at all, and I have not made myself familiar.

Q. I wish to learn whether there was any fixed rule as to the time these unclaimed goods should remain in public store before they were sold?—A. I think that is fixed by law, sir, although what the precise time is I do not know, as it is not part of my department at all.

Q. When are the unclaimed goods that are directed to be sold transferred to the store for unclaimed goods, of which your son is superintendent?—A. I don't know, sir, what the process is, or what the — I am not familiar at all with the store, nor do I speak from any personal knowledge. All the connection that the appraiser has with that store is simply to go there when the descriptive-lists are prepared, previous to the advertising—previous to the sale taking place—simply to go over the descriptive-list and see that the goods in the store correspond in character and description with the list, and then to place upon it the valuation upon which the Government would be entitled to collect its duty, or, in other words, informing the collector what duty he has a right, or what duty the Government has a right, to collect upon those goods sold.

Q. Does the appraisement also furnish the values of the contents of each package?—A. No, sir. The appraisement does not verify the contents.

Q. Then the figures carried out opposite each package indicate simply the amount of duty coming to the Government on that package?—A. Assuming that the contents as described are correct. For instance, if there is a package claiming to contain fifty pieces of broadcloth, so many yards, valued at so much a yard, the duty would be so much a yard, or so much *ad valorem* on the quality of the goods, and that, of course, would be calculated, and placed opposite the whole case.

Q. Now, suppose that the package has been plundered in part, so that all the contents are not there; how, then, do you fix the amount of duty to be collected?—A. The amount of duty is fixed upon the quantity alleged to be in the possession of the Government at the time.

Q. Without any reference at all to any abstractions that may have been made?—A. There could not have been any abstractions, because the contents, I presume, are verified when the lists are made out, or they may not be. It may be taken and accepted as conclusive when they arrive in the store. Those details, I think, you could obtain more readily from the parties who prepared the lists.

By Mr. BAYARD:

Q. Just take that catalogue a moment, Mr. Darling, [handing same to the witness.] I understand you to say that you have a certain personal supervision after the duties have been performed by your appraisers in going over their valuations?—A. I go through. The whole thing is a mere *pro-forma* thing. There is no point in the appraisement particularly, except so far as any parties may come afterward claiming these goods from the Government after they are sold. The Government then has a right to interpose its claim for the duty for which these goods would have been liable if they had not been sold. For instance, if you had a case of goods in there, or a barrel of wine or of brandy, there is a certain amount of duty that you would have to pay the Government before you could get your goods, and if you should ever come forward and claim these goods, or the value of them, predicated upon a state of facts which you testify to in recovering the value, then the Government has a right to say how much you would be obligated to pay in the shape of duties upon these goods as an offset.

Q. As the party could not recover the goods themselves, as they would long since have vanished, and the application would be for the value of the goods, is it likely

you would get an undervaluation from the party claiming them, and, therefore, you would apply your right of duty to that value?—A. Of course.

Q. Then what protection is there to the Government about your making such an appraisement as you have spoken of?—A. The protection to the Government is to get the full duty so as—

Q. It is not likely that a person when he sought money would seek less than entitled to?—A. Yes, sir; but he only could claim the value of the goods less the duty.

Q. Then he would be limited to the amount you value the goods at here?—A. Yes, sir; unless he could prove by his invoice that the goods cost more.

Q. Then I understand that this appraisement in reality of these unclaimed goods is a perfunctionary arrangement?—A. Yes, sir.

Q. Not very accurately or carefully made as in case where goods were entered for examination; a very different thing the appraisement you make in one case from the other?—A. Yes, sir.

Q. I observe lot 6 upon the first page of that catalogue.—A. One case of snuff.

Q. It is appraised at what?—A. Ten dollars.

Q. Now, sir; how is that; is that snuff weighed?—A. That I do not know, sir.

Q. You do not know?—A. I guess it is only appraised in bulk.

Q. Just in bulk, by its looks?—A. Yes, sir.

Q. No weight at all given?—A. There is no weight here.

Q. What is the duty of the Government on snuff?—A. That is under the internal-revenue laws; they have so much a pound.

Q. But this is imported snuff, is it not—unclaimed merchandise; is not the duty on snuff about 50 cents a pound?—A. Yes, sir.

Q. Therefore these parties who made this appraisement did not know how much snuff there was, or how many pounds there were, and nothing appeared here to show it?—A. There does not appear to be anything here to show it; no, sir.

Q. [Referring to catalogue.] There is a bag of seed right below that. Do you know what kind of seed that was?—A. No, sir; I do not.

Q. I believe there are a great many thousand varieties in the world, are there not?—A. Yes, sir; a great many. I think it was a kind of a bird-seed.

Q. That would be a very vague idea, would it not?—A. Yes, sir; birds would eat almost any kind of seed.

Q. Well, sir, there is no number of pounds on that?—A. No, sir.

Q. Do you suppose that was weighed at all, or the quantity ascertained?—A. No, sir; I presume not.

Q. Just appraised in bulk, in the package?—A. Yes, sir. You see we appraised the value of the package; whatever we consider it is worth; a great many of these goods are entirely worthless; they have been in the public store-house so long, and in general-order store so long, that the whole vitality of the article is exhausted.

Q. That may be in regard to some articles; but are you not aware that snuff gains in value and excellence by maturity—time?—A. No, sir; I never took enough of it to know. I have heard that parties who buy snuff never take it away from the public store; that it was not worth enough to pay the revenue stamps upon it. I know a man came in and complained to me about the appraisement on a lot of snuff, and I guess that is the very bag. He wanted me to help him with the Secretary of the Treasury to get it off his hands.

Q. It was not a very heavy lift, was it—\$10?—A. He had bought, I think, \$140 worth, all the way through, and he complained that he could not get his money back.

Q. There is lot 25, sir; one bale cayenne pepper. Do you suppose that bale was weighed at all?—A. I don't know whether it was or not.

Q. Just appraised in bulk like the other?—A. Yes, sir.

Q. Here is seventy cases of olive oil; how was that appraised?—A. Appraised so much a case.

Q. What duty does olive oil pay, sir?—A. Salad oil \$1 a gallon.

Q. Wouldn't it be rather necessary to know the size of those bottles before you could tell the value?—A. Yes, sir. Those bottles are generally a dozen in a case, I think; sometimes larger.

Q. Do you say that all olive-oil bottles are the same size, and the same number of bottles in the case?—A. No, sir; I don't say that.

Q. Do you not know that they do vary from very small bottles to very large bottles?—A. Yes, sir.

Q. And vary in number from seven dozen to one dozen?—A. I take it it is not essential as to the specific quantity or weight or size in regard to appraising the value of those goods. I take it that the only object is to place upon it what would seem to be the full value of the goods.

Q. But I understand you to say that the appraisement was *pro forma*—?—A. You see this \$140 on these seventy cases of olive oil is the appraised value of the oil; it is not the duty to be paid on the oil.

Q. Yes; but I should suppose if a man meant to enter an article for consumption that he would consider its value and its salable price very much by the rate of the duty that had to be imposed on it?—A. If it had been entered in the custom-house for consumption and it comes into the appraiser's store for examination, then a verification is necessary in order to see that the invoice on which the duties are paid corresponds with the goods themselves; that there are not more goods than are entered on the invoice. That is the object of the verification as well as of the appraisement; but here verification does not seem to be required, for the reason that the only thing that is required is to assess or appraise what may be considered the value of the package, or the contents of several packages aggregated together, with a view of determining only so far as—the duty on oil would be so much a gallon; you would want to know how many gallons there were, if there was to be any computation of the duty. But I take it—perhaps I am misunderstanding this matter, as I have never looked into the law particularly in regard to it. It may be only necessary that there should be an appraisement as to the value of the goods.

Q. When you appraise a thousand boxes of merchandise, you say you verify it. Do you not consider it is quite as important to verify its quantity as its quality?—A. We do when it comes into the appraiser's store.

Q. Don't you, as a matter of common sense and reason—in order to know the contents, must you not know the quantity as well as the quality?—A. Yes, sir.

Q. Then, in this case, there has been a failure to ascertain one of the most important elements of value, has there not?—A. I do not know upon what examination the experts predicated their value. Colonel Burt could tell you more particularly than I can.

Q. Can you tell us any reason why, when an appraisement was made of an article, no list was given of its quantity or its quality?—A. No, sir; I don't know that I could.

Q. Well, let us turn over to other cases of some kind.—A. With all due deference to the Senator, if he will subpoena Colonel Burt—or I will supply additional evidence upon points with which I am not, perhaps, familiar. You see my supervision in this matter is merely to give form of law to the appraisement of the goods; and in cases where there are goods of very large value—now, for instance, in one or two cases where the appraisement was very large, I wanted to see the goods, and see whether it was excessive or not. There was a picture appraised at \$5,000. Well, it was alleged to be a picture of Benjamin West. I don't suppose Benjamin West ever painted it any more than I did, but still it had his reputation, and it had been appraised at about \$700, and I told the appraiser to put it up at \$5,000.

Q. That was a subject that you had more knowledge of?—A. Well, I thought that a picture like that was worth more money.

Q. Look at lot 120, and let me ask you a question in regard to that.—A. "Nineteen and one-half chests of tea."

Q. What kind of tea was that?—A. I did not examine that tea personally myself.

Q. What are the differential duties on tea?—A. Tea is 15 cents a pound, and then there is a discriminating duty of 10 per cent.

Q. Is there not a difference between tea from China and other teas?—A. Yes, sir; 10 per cent. discriminating duty on teas east of the Cape.

Q. No weight there given of any kind, either to ascertain, in the first place, the quality of the tea, not mentioned, and, in the next place, the number of pounds of the tea, not mentioned?—A. No, sir. I rather think—my impression is that these goods are sold by the Government without being responsible for quantities.

Q. Does not the quantity come in?—A. Or quality? I think—my impression is that the Government assumes no responsibility in regard to quantities or qualities.

Q. Neither one?—A. They just put these goods there to sell them for what they will bring.

Q. Without any description that will lead the purchaser to know the value of the goods?—A. Yes, sir. I do not think that the Government assumes any responsibility in that matter at all. I don't think it makes itself liable at all for the correctness as to quantities, and I think that is the reason why there are no quantities given in the catalogue.

By the CHAIRMAN:

Q. I would like to know whether every man does not have an opportunity to see beforehand the goods which he may buy?

Mr. BAYARD. Mr. Darling does not know that personally.

Q. [To the witness.] Your son, William E. Darling, and Frank Hay would be apt to know?—A. Yes, sir. Mr. Hay has been longer there, and has had more experience.

By Mr. CASSERLY:

Q. There is no doubt the goods are not present at the sale of them?—A. O, yes; the goods are—at the sale that takes place? I really don't know. The sale takes place

at the store or the auction-room. My impression is that it takes place at the auction-room.

Q. That is at some distance from where the goods are?—A. Yes, sir.

By Mr. PRATT:

Q. I was about to ask you whether you know, of your own knowledge, what the deputy appraiser and examiner do in the appraisement of unclaimed goods?—A. No, sir; the thing is left to them.

By the CHAIRMAN:

Q. I would like to make the inquiry of Mr. Darling about the manner of proceeding in his own department. I am not anxious to do it now, however.—A. I do not know but what the committee of honorable Senators may by this time have, perhaps, fully understood the relation the appraiser holds to the public stores.

Q. I would like to have you give a brief account of the receipt of goods in your bureau; the manner in which they are treated; how you dispose of them; in short, an account of the whole of the proceedings in your department?—A. When an invoice is entered into the custom-house—the payment of the duties—certain cases upon the invoices that are indicated are sent to the public store for the purpose of examination and appraisement. The duty of the appraiser is to inform the collector just what amount of duty he has a right to collect upon the goods; the rate of duty of course being fixed by law, specific or *ad valorem*, according to the character of the examination, as disclosing the quality of the goods.

Q. Suppose you begin with the receipt of the goods at your door?—A. Yes, sir; the goods are received into the public store by the collector. By him they are handed over to the contractors. There is an intermediate authority and responsibility between the collector and the appraisers; that is, the contractors, who move all the goods in the building. The contractors place them upon floors—the examining floors of the appraiser's rooms for the purpose of examination. The goods are now into the examining rooms. They are opened, examined, valued, closed up, corded and sealed, put out upon the floor, and removed from the floor by the contractors, and delivered upon the order of the collector to the parties owning the goods.

Q. What do you have to do, or what control have you over the contractors?—A. None at all, sir.

Q. What is his duty?—A. The contract embraces the watching, lighting, heating of the building, and moving of the goods, hoisting and lowering the goods, and delivering them to the doors, and taking them from the doors of the stores.

Q. If you want one or more packages of goods placed upon a particular floor for appraisal, how do you have it done?—A. Requisition is made on the store-keeper, and the store-keeper directs the contractors to deliver such a case.

Q. But you have no control over them?—A. No control over the goods at all.

Q. None in the delivery? None in the delivery; the appraiser is the custodian of the invoice, and the store-keeper is the custodian of the goods, and through the agency of the contractors they are delivered to and taken from the appraiser's rooms.

Q. Suppose when a package of goods comes into one of your floors for appraisal you find it marked "bad order," and you have the invoice in your hand; what course do you take in regard to that?—A. The opening-packers are not allowed to open any package marked "bad order," without the examiners being present, and my orders have been that the importers—if the case is in very bad order, I have the importer notified to be present at the opening of the case in order to satisfy him that the spoliation, if any should develop itself, could not possibly have occurred in the appraiser's department.

Q. If not in very bad order you don't send for the importer?—A. If they are not marked in "bad order," we don't.

Q. Or if they are not marked in bad order but in what you call in bad condition?—A. Then they are not opened without the examiner or assistant appraiser being present, and if there is found to be any abstraction or any deficiency in the case the importer is always sent for; sometimes a case will be full, and yet it will show a deficiency of goods represented on the invoice. In those cases the deficiency will be noted on the invoice and sent to the custom-house.

Q. If you find on comparing the goods with the invoice a deficiency, what means have you of ascertaining where that deficiency occurred?—A. We haven't any means at all, sir.

Q. May it not have occurred after it reached your building, and before it reaches the appraiser?—A. The goods may not have been put in in the first place.

Q. May it occur in your own building?—A. It is possible to have occurred in the building before they come into the examining-room.

Q. Between the door—A. Between the collectors receiving the goods and the transfer. The time between receiving the goods in the public store and the time they would be put on the examining floor.

Q. As I understand, you have no control over the goods?—A. None at all.

Q. Are you embarrassed in your business in consequence?—A. My idea about that is that there should be only one authority in the public store.

Q. Do you mean by that that your business would be facilitated if you had the control?—A. I think if the appraiser had charge of the public store, and was responsible for the goods from the time they entered until they left, that it would be more easy to fix responsibility upon any loss, and the system would be much simpler and more effective.

Q. Do you think that would be more in accordance with the wishes of importers?—A. I don't know, sir, that the importers would be, perhaps, particularly benefited by it; there possibly might be more speed in the examination.

Q. Suppose a package is lost after it enters your store, and before it reaches your floor for examination, who is responsible?—A. The contractors are responsible if you can prove that the loss occurred while the goods were in their custody.

Q. Is there or is there not a difficulty in proving that?—A. It is impossible to fix—almost impossible unless persons see them take goods out of the cases. I think the condition of the store itself contributes somewhat to opportunities—exposure—

Q. Do you have many complaints from importers in regard to the manner in which business is conducted in your bureau?—A. No, sir; I have not. In fact, I think there seems to be a general satisfaction.

Q. Have you more men in your employ than are absolutely necessary for the business?—A. On the contrary, sir, I think the force is inadequate to a thorough, complete verification of all the goods.

Q. Don't you know of any men in your department whose services might be dispensed with?—A. I do not, sir.

Q. Do you know of any whose salaries are larger than they should be?—A. I should judge not, sir, from the constant applications I have for increase.

Q. Is it necessary that the appraisers should be men well skilled in their business, experts in their duties?—A. Yes, sir.

Q. Could they become qualified in a brief space of time for their duties?—A. No, sir. It requires years of application, a familiarity with merchandise, to qualify a man as an examiner. There are instances in the department where clerks, and even openers and packers, who have been a long time in the department, have become gradually familiar by their own application and their intelligence, and able to fill higher positions; and I have, in every instance where I have discovered merit of that kind, advanced them to higher positions when an opportunity occurred.

Q. Do you find any difficulty in the ability of the appraiser to estimate the value of goods in consequence of the repeated, constant changes in the style of goods?—A. I will hear that question again, if you please.

Q. Do you find any difficulty or any embarrassment on the part of the appraisers forming a just estimate of the value of goods, when the style of goods changes so frequently; or by the introduction of new styles, I should say?—A. No, sir; the difference in style doesn't change the inspection of the goods, the duty being fixed upon the material—the component parts of it.

Q. Don't the difference of the style change the value?—A. Only so far as in certain instances. For instance, a certain style of goods, that may be more desirable than others, would have an increased value. The examiners keep themselves pretty well posted in regard to the introduction of new styles of goods.

By Mr. PRATT:

Q. I wish to ask you one question, Mr. Darling. When goods are sent to the appraiser's store I wish to learn the boundaries of authority, and the consequent responsibility of the labor-contractor and the store-keeper, and to that end I inquire when a loss occurs in your store where does the responsibility rest—upon the labor-contractor or upon the store-keeper?—A. If you can fix the loss on the contractors the responsibility rests with them. They give bonds, pay losses, but—

Q. I am taking the case of a merchant who is able to trace his package to the appraiser's store intact, and when it comes out of that store the package has been plundered of a part of its contents; I wish to ascertain from you where the responsibility for this abstraction rests.—A. If upon an examination it should be shown that the goods were all put into the case, corded and sealed, and turned out on the floor, the responsibility would rest with the contractors.

Q. That would be very difficult to find out?—A. Those cases where complaints are made are always investigated. Every case is investigated thoroughly, and I don't know of an instance where I can say that the abstraction has taken place on the appraiser's floor.

Q. Now, to put the question in another form. When does the responsibility begin and when does it end?—A. The store-keeper simply receives the goods, and takes account of them, and hands them right over to the contractor. The contractor's men have entire possession of the building. They go through every room and every part of

it. Their watchmen are there at night and in the day-time, and their laboring men are there nights and day-time. They have access to all parts of the building except into the offices of the assistant appraisers; and those they have access to at night; and all the goods in the public store are in their possession all the time until they are delivered.

Q. Then I understand the responsibility of the store-keeper is only momentary; that is, when he receives packages at the door and delivers them over to the labor-contractors, and when he receives them again afterward for delivery?—A. Yes, sir.

Q. But during the entire interval the packages, I understand, are under the charge of the labor-contractor?—A. Yes, sir.

By Mr. CASSERLY:

Q. You spoke of the condition of the public stores as tending rather to favor the commission of larcenies upon packages of goods arriving in the stores. Did I understand you correctly?—A. Yes, sir.

Q. State the condition you referred to particularly.—A. Necessarily some of the examiners' rooms are remote; their offices are remote from the examining rooms, and some of the examining rooms are entirely opened to the whole floor; so that the strictest regulations are almost impossible to keep people out of the building. Yet, necessarily, the contractor's men—laboring men there—can go to any part of the building, or are in every part of the building in removing their goods, passing them up and down.

Q. Does not that necessity lead, more or less, to a habit, on the part of those men, to go about any part of the building they see fit?—A. They have access to the whole building at all times.

Q. Is it not true, sir, that many of the rooms in your special department of the public stores are so very badly lighted that you have to use gas at midday?—A. Yes, sir; in one of the most important divisions—that is, the drug department—we have burned gas almost all the time in the day-time, and it is—I have desired to make some change, but the lease of the building expires very soon, and not knowing what the Government desires to do, I have not felt like asking.

Q. How soon?—A. I understand it expires early in 1873.

Q. Is it not true, also, that there are many dark places and remote corners of the building where larcenies might be committed without detection?—A. If the case was exposed, and the man was pretty expert, he might, possibly; but there are people passing through the building a good deal of the time.

Q. Do you say that every case of which you have knowledge has been investigated?—A. Yes, sir; every case of complaint made to me has been investigated.

Q. Do you undertake to say as much for the other departments in the public stores?—A. I can only speak for my store.

Q. Well, I am perfectly willing to take your general judgment about that, based upon such information as you regard sufficient.—A. I think, as far as a collector of public stores is concerned, Mr. Tompkins investigates every case that comes to his knowledge. Complaints are made sometimes direct to me, and sometimes through the collector. Where they are made to the collector they are sent sometimes to the deputy collector. If it is a case that would involve an examination, perhaps, of the contractors or of the carmen, then it would sometimes be sent to the deputy collector of the public store, and otherwise would be sent direct by the collector to me. I have communications that are addressed to me personally, as appraiser, without going through the collector.

Q. I thought I understood you to say that the labor department, being a half-way house between the collector's office in the public stores and your own department, is probably that part of the public store-house where these spoliations are most likely to occur; or what did you say on that occasion?—A. The labor contractors—the men employed by them—have access to all the rooms in the building.

Q. So you have stated.—A. Yes, sir; and a great many of the rooms are exposed, and necessarily so, from the very nature of the building, and opportunities may be afforded from that very fact for spoliation. They may take place during the examination at certain times by the employés in the appraiser's department. They may take place at other times, by the employés of the contractors; but what I mean particularly to say is that, while there is a divided responsibility, a divided authority, it seems to me to be difficult to fix the responsibility of the loss upon any particular department in the public store, unless goods come in marked in bad order—received in bad order—in public stores, opened, and found short, or giving every evidence of spoliation. As, for instance, a case was received into the public store the other day where a piece had been taken right out of the corner, and a cartoon of ribbons right under it had a piece of the cover taken out, the same size, corresponding with the piece taken out of the case, upon which a board had been nailed across. It was put upon the floor of the third division, and I was sent for to come and examine the case. I went up there. This was taken off and opened, and it was found that a number of

pieces of ribbon had been taken out of the package. The case was marked, "Received in public store in bad order," "Received in appraiser's department in bad order." I have no doubt that the spoliation took place before it ever reached the public store.

Q. Does it ever happen that a case received in good order at the collector's office, at the door of the public stores, is marked bad order upon arriving at your department?—A. No, sir. I never knew of a case of that kind, unless it is in bad order. That might happen. If, in moving and handling the case after it comes into the store, it should be injured or affected in any way, it is immediately marked received in bad order by us.

Q. You have in the appraiser's department a system of bad-order marks of your own, quite independent of those made elsewhere, have you not?—A. Yes, sir; entirely independent.

Q. Is it your opinion that the use of the bad-order mark in the collector's office, at the door of the public store, is of much value, considering the great number of packages received there daily?—A. I think that the stamping a case received in bad order would give an opportunity for spoliation and throwing the responsibility somewhere else. My idea, if I had the running of the thing, or if it was my own private business, the moment goods were received into the public store in bad order I would immediately have an examination and verify before it went any further. Under the present system of course that cannot be done.

Q. Now, in the absence of any such obvious and prompt precaution as you have just suggested—A. The collector has no authority to do that, and can't do that—

Q. In the absence of any such obvious and prompt precaution as you have just suggested, what guard is there against the mark of bad order put on at the door being used as a cover for frauds in the building?—A. In the first place, I don't think there is any inducement on the part of the collector's men for anything of the kind, because they have no access to the goods. The few men that are there of the collector's are principally clerks, who merely record the fact of the goods being received, and keep the count of them when they go out. Unless there was collusion, evident collusion, between the collector's men and the contractors, there would be no object in anything of the kind; and I presume it is done by the collector to protect himself against spoliation before the goods reach the store.

Q. Do you say that it is only in cases of collusion—A. No. I say—

Q. Well, won't you hear me out? I am very glad to hear everything that you say, because I consider that our business here is to gain instruction from those who are qualified to give it on all those subjects. Do you wish to be understood as saying that it is only in a case of collusion that the bad-order mark is wrongly put on the box by the collector's men at the door?—A. I say it would only be done in case of collusion where it did not truthfully represent the fact of their being in bad order; that is, if a case was in bad order, and it was marked in bad order, there would be no object. Perhaps I had better state that over again. I say that there would be no object in the collector's employes marking a case in bad order that was not in bad order, unless there was some understanding between them and the contractors, or between an individual and the contractor, that might afford an opportunity. I have never seen anything since I have been appraiser that would justify any belief that there was anything of the kind whatever.

Q. How long have you been appraiser?—A. Since the 17th of April last.

Q. Might it not happen, sir, that without any collusion the bad-order mark would be placed on a package by the collector's men at the door from carelessness, or from error of judgment or from hurry—from mistake caused by great hurry and press of business there?—A. It is within the range of possibility, but hardly within the range of probability.

Q. Do you know how many packages pass through the door in the course of a day, one day with another?—A. We keep an account of the aggregate number of packages received in the store in a month. I suppose there is sometimes a thousand packages a day.

Q. That was the testimony of Mr. Tompkins, but the average that he gave was—A. [Interrupting.] Was about seven hundred. I should think in the month of January—I think there was seventeen thousand packages received in the public store.

Q. Which probably is rather a dull month?—A. Well, we have been pretty busy. I could give the committee the exact facts about that.

Q. You observe that is below the average of Mr. Tompkins's statement?—A. Now, last August we received 23,000 packages; that was against 15,000 the year before.

Q. Well, don't go back any further than you must.—A. In September there was 21,000; in October, 17,000; November, 16,000; December, 15,000; January, about 17,000; last July, 15,700.

Q. Mr. Tompkins's average was 733 packages, I think, daily. The working days, which, at ten hours to the working day—A. That is about right—yes, sir—taking Sundays out.

Q. He went through it with care, and I think that his average was probably about

right. That would make seventy odd packages every hour of the working day?—A. At least that; yes, sir.

Q. Now, don't you think, as a practical man, that in such a press of business as that, which, as you know, is sometimes nearly doubled, it is very possible for the collector's officers at the door to make many mistakes in marking bad order on the packages?—

A. Well, it is a matter that pertains to human nature, you know, to make mistakes, and I don't know that there is any more virtue in a public official in that respect than there is in a private individual.

Q. You spoke of an error of judgment, or a mistake made in a hurry.—A. What one man might regard as bad order, another might not.

Q. I am always ready to listen until you are done, but after I begin a question, we will get along faster if you will permit me to end it.—A. I merely stated there may be an error of judgment between different individuals as to what constitutes bad order. Some might criticize cases very closely, and the least indication of a book being loose, or anything of that kind, would justify in his mind the stamp bad order, while to another the apparent breaking of part of the package, or displacement of some portion, might seem necessary in his judgment to constitute bad order, and justify him in making that.

Q. Awhile ago you spoke of it as being a bare possibility that, in the hurry of such an enormous business as goes on through the receiving-door of the public store, the mark bad order might be put on by mistake. Now, don't you think that it is much more than a bare possibility?—A. Well, I am not familiar with the system of Mr. Tompkins's department. I would not like to volunteer any opinion on that subject, because it is a practical matter connected more with his department than my own.

Q. Let us assume an instance of a package properly marked bad order at the door, what is to prevent a depredation upon that package after it gets into the building under the cover of that mark "bad order"?—A. That depends entirely on the length of time that would elapse, in the first place, before it was placed in the examining-room—before examination by the examiner, of either the employés of the appraiser or contractors' men who have access to the case. If it passed immediately from the collector, and if there was a case passing immediately through the contractors on to the examining-floor, there would be no opportunities for spoliation, and if a spoliation took place, it could only take place in the appraiser's store, after the case came open.

Q. In other words, if there is no possibility for plundering there is no plundering; you and I cannot differ very much on that proposition?—A. The Senator will understand me to say if the case of goods comes right into the door, and passes right through to the appraiser's floor for examination, there is no opportunity afforded for spoliation.

Q. Precisely; because it is impossible?—A. Yes, sir; it is impossible; but if it lies in the store for four or five nights and days, there is an opportunity then for spoliation.

Q. Is not the mark bad order, put on at the door, treated in the public stores as an answer to any claim made for spoliation within the public store?—A. It is so regarded as an answer.

Q. You perceive that under cover of that mark a further spoliation, much more considerable than that committed before the package reached the public store, may be committed within the public store?—A. Yes, sir.

Q. The remedy which you have suggested is, that the moment the package marked bad order at the door, or in bad order when received at the door, as marked, passes the door, it should be taken into a room appropriated for the purpose and there examined and the contents rated?—A. Yes, sir; verified at once.

Q. In the absence of such a precaution as that, I understand you to say that there is no practical—scarcely any mode of detecting spoliation in the building?—A. No, sir; you cannot detect it unless you see the individuals.

Q. Well, people don't generally commit crimes within sight?—A. No, sir.

Q. When there is an investigation within the public store it is an investigation carried on separately and independently in three separate departments?—A. Yes, sir.

Q. The collector's department, the labor department, and the appraiser's department?—A. Yes, sir; that is it.

Q. Does not that division of examination and of responsibility tend greatly to defeat the investigation?—A. I think it does.

Q. Did I understand you to say that no case had been proved of depredations in the appraiser's department?—A. I don't call to mind a case where it has been fixed on the appraiser since I have been appraiser.

Q. You observe that I am speaking generally of the department; I am not referring to any particular person in your department?—A. Really I don't think that the amount of goods claimed to have been lost in public store is, in the aggregate, as much, if any more, probably, than occurs even in Mr. Stewart's own store in the same time.

Q. Isn't it rather natural that you should take a favorable view of your own department in that particular?—A. Well, yes; I think that my men are all honest. I

wouldn't keep one of them there a minute if I didn't think so, and I have removed everybody that I have reason to suspect of anything else; but the system of precautions—every man is obliged to enter and leave at one door; all the men employed in the department are required to leave at one door. There is a watchman, and every one is subjected to a critical examination as he goes in or out. No packages can go in or out without receiving the check of the appraiser or of the store-keeper. Any bulky articles could not be concealed about the person of the individual without disclosing an unusual corpulency, which perhaps would not pertain to the individual who undertook to secrete the goods.

Q. The information in your answer is not without interest to me; but the question I asked was whether I understood you to say that no case had been proved of depredation in the appraiser's department?—A. I don't call to mind a case in my administration where it has been proved upon any individual; that is, where the goods had been traced distinctly to the possession of any individual. I have had suspicious circumstances which have involved the discharge of individuals.

Q. Proof involving a particular individual is one thing; your statement was broad, and my question was equally broad. I ask again whether I understood you to say that no case of depredation in the appraiser's department has yet been established?—A. I don't know of a complaint. I don't call to mind at the present time a case where the depredation has been fixed by actual proof—the possession of the goods—in the investigation of any case where a complaint has been made.

Q. You still do not answer my question; without being able to bring the proof home to any particular person in your department, do I understand you to say no case has arisen yet of a depredation in your department?—A. No, sir; I don't mean—well, I mean to say that there have been instances where I have reason to suspect that there have been depredations there, but I have been unable to bring the depredations home to the party.

Q. Then there has been a case in which you have had reason to suspect a depredation was committed within the appraiser's department?—A. Yes, sir.

Q. In more than one case, sir, has that taken place?—A. I don't know of any more than one case at the present time. I am investigating one case now.

Q. Is that a different case?—A. That is a different case; yes, sir.

Q. What is the extent of that case?—A. A person informed me that there was some silk scarfs left in a store in the neighborhood of the public store by one of the men employed in the appraiser's department, and afterwards taken away by him, and I am now investigating the matter.

Q. How many persons have you in your department?—A. Two hundred and twenty-one.

Q. How many of those are laborers?—A. About ninety.

Q. Openers and packers?—A. Yes, sir.

Q. Any others?—A. No other laborers.

Q. Are they sworn?—A. All sworn in.

Q. Are they officers of the United States?—A. No, sir.

Q. How many are there in the labor department?—A. The contractor's?

Q. Yes, sir.—A. I don't know.

Q. I think it was stated here to be about ninety.—A. I don't know what the force is.

Q. Whatever the number of the laborers in the labor department, I understand you to say that it has got to be a habit of their having access to all parts of the building?—A. The building is in their control—in their charge—the whole building.

Q. And from the time that the work ceases in the building until the next morning when it commences again they have the absolute control?—A. Yes, sir; absolute control, and on Sundays also.

Q. And on holidays—if there are any—4th of July and so on?—A. Yes, sir.

Q. Is it your judgment that the present public stores are entirely fit, or largely quite unfit, for the business done in them?—A. I think they are quite unfit for the business done in them. They could be made, by very extensive and expensive alterations, very suitable stores for the Government use; but as they are at present constituted, I don't think they afford the opportunity for that perfect examination of goods which we should have, as regards light, convenience, &c.

Q. You remember the committee paid a visit to your stores and went through them, with your polite assistance, and examined as much as you could show during the time they had to be there?—A. I had that honor, sir. There was one room I should have liked to have shown the committee when they were there. It was the sugar-room; a very small room; in fact we have now all the room that we can get; that is the amount of it; but the sugar-room especially requires very fine light, because the rate of duty is determined by the color, and our accommodations there are very poor indeed.

Q. The test of appraisement is the Dutch standard of color?—A. The Dutch standard; yes, sir.

Q. And the room appropriated for that purpose is very unfit by reason of deficient light?—A. The light is deficient and the room is contracted.

Q. The same is true of the drug department?—A. Yes, sir; eminently so—prominently so in regard to the drug department.

Q. In the fine goods department, have you the space that you ought to have for the examining of all fine articles—fine fabrics?—A. We have room enough, such as it is, exposed. We have a smaller room detached for the examination of very valuable goods. Still, the whole arrangement of the public store, or appraiser's store, for the examination of goods, is entirely different from what it would be if the Government had a building erected expressly for it. It requires system—the eye of the official over the subordinates all the time—close contact and connection; constant supervision and surveillance. It cannot be had in a building with rooms so detached and separated as those are. It might be made a very desirable building, as I said before, by extensive and expensive alterations.

Q. What was the use and purpose, originally, of the building in which the public stores now are?—A. My impression is that it was a pork-packing establishment, on Church street, a Mr. Getty's. The Greenwich street store, I think, may have been the same thing; I don't know as to the Greenwich street store. I think it was, originally, before the street was cut through—I think it was originally built or used by Mr. Getty in that connection.

Q. Then, as originally built and used, the buildings were extremely unsuited to the purpose of a public store?—A. They are not such buildings as the Government would build for that purpose; but the best, probably, they could obtain under the circumstances when they lost their lease in the Broadway Peters store.

Q. Do you know any reason, sir, why the Government has continued to lease these stores?—A. I don't know, sir.

Q. Do you know who the landlord is?—A. Not of my own knowledge.

Q. Do you know anything about the lease of these premises?—A. No, sir.

Q. You state that very extensive and expensive improvements and alterations would be necessary to adapt the building properly to the use required of it; you do not advocate any such extensive and expensive changes, do you?—A. On general principles I advocate the Government owning all its own buildings.

By Mr. HOWE:

Q. Doing what—you advocate the Government doing what?—A. On general principles I advocate the Government owning all its own public buildings. It ought to be the owner and not subject to the necessity of renting from anybody, if it could help it.

By Mr. CASSERLY:

Q. Do you know what the rental of the public store at present is?—A. I understood it was sixty-odd thousand; I do not know of my own knowledge; the collector has the leases.

Q. Is not that a very high rental for such buildings?—A. I should think it was; it is a very large building; it goes through and takes the front on both streets; it comprises a number of buildings, probably, all connected together.

Q. Just as the custom-house may include a dozen different buildings?—A. Yes, sir.

By Mr. PRATT:

Q. Is the public store synonymous with the appraiser's store?—A. Yes, sir. The public store is a building where all the goods go for the purpose of appraisement, and they don't go there for anything else; but before they reach the appraiser they pass through the collector, and through the contractors.

Q. It is all in one building, I understood you?—A. Yes, sir—all in one building.

By Mr. CASSERLY:

Q. Do you not think that the prompt examination of packages marked "bad order," which you have suggested by way of change in the system, would also have a beneficial effect in protecting the carman?—A. Well, incidentally so. Spoliations may have occurred before the carman took the case, and he be powerless, probably, to prove that he was innocent, if it should be proved upon immediate examination that there was a spoliation.

Q. Though it occurred while the carman had possession of the goods, is it not his interest, and is it not his right, to have the extent of that spoliation ascertained as promptly as possible by the authorities?—A. At the earliest possible moment—yes, sir.

Q. So that in that point of view also your suggestion would operate beneficially?—A. I think so—yes, sir. The system that brings the responsibility nearest to the individual is the only true system, in my judgment, for the Government; that is, to have as few intermediate authorities and responsibilities as possible between the onset and the *ultimatum*.

Q. Between the citizen and the government?—A. Between the citizen and the Government.

Q. Have you suggested any remedy for the division of authority within the public stores?—A. I have not made any official recommendations.

Q. I mean have you suggested any in this testimony?—A. Only inferentially so.

Q. Won't you state expressly what change should be made in respect to that subject, in order to remove the evils which, as you state, arise from different divisions of authority within the building?—A. The only way to remove that evil is to put the whole building under the charge of the appraiser. In that case, however, the appraiser should be required to give bond; because the collector, giving large bonds to the Government for the custody of the goods, cannot be expected to release his authority over the goods, even though they pass technically out of his hands into that of the contractors and into that of the appraiser for examination. Now, any change taking from the collector the responsibility for these goods should impose upon the appraiser the same security which the collector is now required to give to the Government for the safe custody of the goods, and then the collector should be released from all responsibility, so far as he is concerned, other than that which connects him with the cartage of the goods to the public store.

Q. To the door?—A. To the door. It can be readily seen by any practical business man in a moment that if the moment the package of goods is put into a person's building, and he is to be the sole arbiter, the sole custodian, and to be accountable for it, from that moment until it is returned, that anything occurring to it, under a well-regulated system, organization, administration, would certainly result in knowing all about it. And yet, under the present system, the present laws and regulations, I do not see how the thing can be different from what it is. The fault is inherent in a great many of these things—the abuses that grow out of it—in the system, and individuals connected with the system necessarily must suffer from that fact, although they are desirous and willing to do all in their power to prevent any abuses, or to correct them.

Q. The remedy you propose, then, is that after the goods are received at the door of the public store, they should be within the control of the appraiser, and the appraiser should be held responsible for them?—A. That is the way I would do my business.

Q. Until delivered to the merchant?—A. Yes, sir.

Q. Do you see any practical difficulty in relieving the collector from responsibility for goods which have passed out of his control, and placing that responsibility upon the officer, namely, the appraiser, into whose control they have passed?—A. I do not see any practical difficulty.

Q. Now you may make any statement that you were about to make.—A. Well, I think the Senator has taken it out of my mind.

Q. I am sorry for that, because I wanted to hear you fully upon that particular subject. Let me ask you, before your testimony is closed, is Mr. Van Vechten an examiner?—A. Yes, sir.

Q. Was he one of the examiners when you became appraiser?—A. Yes, sir.

Q. Did you observe his testimony the other day as to depredations committed within his own knowledge?—A. Yes, sir.

Q. You mentioned one case, I think, where he was so well satisfied that the depredation had occurred, not only within the appraiser's department, but within his own portion of it, that, as he testified, he made good the loss?—A. I say that; yes, sir.

Q. Was that in your time, sir?—A. Yes, sir; I think it was.

Q. Then that was a case within the appraiser's department?—A. That was a case within the appraiser's department.

Q. Had you that in your mind, sir, when you answered a while ago?—A. Not altogether. I sent to him about that case. An investigation of it showed that it was a mere surmise of his; that he had no evidence; that he did not see the goods taken; that it was a mere surmise that it possibly could have been taken, and, as he could not fix the responsibility upon anybody else, that he paid the loss.

Q. I do not think that he cut down his ideas quite to a mere surmise, when he testified here?—A. I forget exactly what his testimony was, but upon personal examination of him on the subject, it left the impression on my mind that the goods were exposed so that anybody could have stepped in and taken this piece of goods outside of the examining-room.

Q. But the goods were in the appraiser's department at the time?—A. They were in the appraiser's department at the time; yes, sir.

Q. Would you not consider, therefore, any loss by a depredation of that sort as a case within the appraiser's department?—A. Not at all; because it may have been one of the contractor's men who passed by at the time.

Q. I do not regret now that I have proceeded with this investigation. Did you understand me to limit my questions as to the case occurring within the appraiser's department?—A. Yes, sir.

Q. To any particular class of persons, by one of whom it might be appropriated?—A.

Yes, sir. I understood you as referring particularly and exclusively to the employes of the appraiser.

Q. O, no, no; I have not.—A. When you speak of the appraiser's department I connect it with the appraiser himself and his subordinates. When you speak of the public store then I connect it with the collector and the contractors.

Q. I had no such impression in my mind.—A. All right, sir.

Q. Do you think that Mr. Van Vechten, unless he was substantially satisfied that the loss had occurred within his part of the appraiser's department would have paid for that loss?—A. No; I do not think he would. Still it is a mere question of impressions that may be left on a person's mind, from certain circumstances which may be obvious to a man who sees certain things, and views them from his stand-point, and that would not be so considered, perhaps, by a person who was not familiar with the surroundings.

Q. Mr. Van Vechten also spoke of a depredation committed upon a package of Panama hats, one of which was found in some water-closet, I think he said.—A. That was prior to my administration, sir.

Q. Now, then, do I still understand you to say that, except as you mentioned, you know of no case of depredation committed upon goods after they had come into the appraiser's department, no matter by whom they were committed?—A. Yes, sir; there was a case of watches came through one of the examining-rooms, and it come into the sample office—they were not verified there—that is, when the package was opened in the sample-office any of the goods found dutiable there are immediately closed up and sent back again to the collector, and by him sent again to the division, where they are to be examined—

Q. Won't you just repeat that again? that is rather a new idea to me.—A. In what is called the sample-office a great many goods come in that are not dutiable, and they are included under the general term, samples. There are a great many papers, publications, and samples of goods that are sent out that are not dutiable. They come in sometimes in what is called express packages—packages containing a great many other kinds of goods that are dutiable. They are sent to the sample-office, opened there, and the goods found not dutiable are passed immediately; those found dutiable are sent back again to the collector or deputy collector, and by him transferred again through the contractors to the division where the goods would properly belong, for examination. I found that there were a great many instances—and this watch was one—where, after the goods had been opened in the sample-office and sent back again, before they reached the division where they were to be examined, that there were complaints of missing goods. This was a case where there was a watch, when the case was sent back to the sample-office and come around through that circumlocution.

Q. By that circuit through the collector's office?—A. Yes, sir; to the division where jewelry was examined. Comparison of the goods, verification of the invoice disclosed the fact that there was a watch short. I immediately instituted an investigation, and I removed the examiner for the reason that he did not cause a verification of the case when it came into his possession.

Q. When it first reached him in the sample-office?—A. Yes, sir; I claimed it was his duty to know whether there was twelve watches or whether there was but eleven when he opened the case. There had been some other matters; there had been a case that had been examined in the sample-office and sent back again and then sent through, I think, one or two other divisions before it finally reached the proper division where there was a watch claimed to be missing. Well, it wasn't of much value, to be sure, but I think the contractor was all—the burden of proof was placed upon him and they paid for it. They accepted it, because it was in the box when it went into the sample-office and when it went out of there, and it was not in the box when it went to the place where it was to be examined, notwithstanding the package was in good order when it was received in the store-office, and in good order when it went out to the sample-office. It came into the division where it was to be examined, ultimately, in bad order; evidently showed that it had been tampered with in its transit between the two points of preliminary and ultimate examination.

Q. Do you think of any instance of loss by depredation in that class of cases, except those you have mentioned of watches?—A. No, sir; there is not anything that occurs to me at the present time, but I knew of an instance to show where a case went into a division for examination. The invoice claimed a set of jewelry.

Q. The same invoice?—A. No, sir; the invoice of the goods in a case. The case was opened, and it could not possibly have been taken out, because the contents were all inside of a tin case soldered up, and a complete verification of the contents of the case disclosed the fact that these goods were not there, and had never been there; and that there were other goods in the package that were not on the invoice at all, and of greater value. Now, it can be very easily seen that if that case had not been verified, when it come to reach the importer he would have made a complaint, and an affidavit, probably, that these goods had been stolen in the appraiser's store. I only mention that as one of the instances on the other side.

Q. When such a package of goods as that—a tin case, as I understand you—whole and complete, and soldered at all the joints, comes into the proper office in your department and is found to contain such valuables, isn't it the plain duty of the examiner then and there to verify the contents of that package?—A. He does, of course. I only mention the fact that the verification disclosed that the goods had never been put in there at all.

Q. I asked that question because you said if an examination and verification of the contents had not been had, the importer might, with some show, have made claim for lost merchandise.—A. Yes, sir; but it is not always practicable, with the force we have, to make a complete verification of every package of goods. There are times when it is a matter of physical impossibility to do it.

Q. Why, sir?—A. Because there is not force enough to do it.

Q. In what bureau of your department is that deficiency of force greatest?—A. It is in most of the dry-goods divisions—some five or six divisions where I think we ought to have at least ten or twelve more verifiers, perhaps twenty. I think, as a general thing, that the law is defective, in that it does not require a more thorough examination of all goods that are imported into the port. I think that the leaving of it to the discretion of any one man to say what goods shall go to the public store, or how many shall go to the public store affords, certainly, an opportunity for the examination, sometimes, of the wrong goods, and not, perhaps, a thorough examination of all the goods; but with the force at our command, and the rules and regulations and system, there is as complete a verification and examination of the goods as can be had. Sometimes, as a matter of course, there is the negligence of officials. Procrastination, perhaps, of examining, or some occurrences that are incident to, and a part of, all systems and a part of the performance of all duties. People don't always do all the duty that they ought to do, and are required to do, and, in cases of that kind, sometimes there may be negligence, which, of course, are guarded against as much as possible by general regulations and a general system.

Q. Does not the system of selecting one of a number of packages, supposed to be of the same kind as to the contents, for examination at the public store, afford room for fraud in substitution of a package which gives no particular idea of the character of the invoice as to the other packages not sent of the same class?—A. If there are ten cases of one kind of goods upon an invoice taken at random, why, the chances are one in ten, of course, that if there is a case that does not represent it that will escape notice; that is, out of ten cases. If there were nine of the ten that were actually what was represented on the invoice and one case that was something else, the chances of that case not being examined, of course, are as one to ten; but without collusion with the deputy collector and the importer, I do not see how it is possible for the deputy collector—or for any case to get into the public store that does not represent the goods represented on the invoice. Still, it is not an infrequent case that we find goods sometimes—packages coming into the public store for examination that show an increased quantity in the case from what is represented on the invoice. When that is discovered my orders are to order in all the rest of the goods of the importer immediately for examination, and examinations of that kind sometimes disclose the fact that there is a deficiency in some other case.

Q. Which equalizes?—A. Which equalizes the excess in the other. But you can see if the importer had happened to get the case that had the excess, that under the present system the Government never would have known it unless the importer was honest enough to inform the collector of it and go and pay the duty on it.

Q. Suppose a case where you order all the packages into the public store, and in point of fact all the packages but the one are sent to the public stores have gone to the merchant's store, and have gone into consumption all over this continent.—A. They have no right to enter them into consumption. They have no right to disturb them at all until the return is made to the collector and the entry is ready for liquidation—not a real right.

Q. Real right?—A. Legal right.

Q. You find that there is a good deal of difference between the law and the practice?—A. The practice is when the merchant gets his goods to dispose of them at once.

Q. As soon as the merchant gets his entry and then gets his goods, to dispose of them as rapidly as possible, except the case that has gone to the public store?—A. Yes, sir; but he has no legal right to dispose of his goods until his whole invoice is passed or cleared in the custom-house.

Q. In the instance of a premeditated fraud a dishonest importer would of course use the utmost dispatch to get the other nine packages out of the ten into his store and dispose of them throughout the country?—A. Get them away; yes, sir.

Q. Have you any remedy to suggest against a state of things that is so open to abuse?—A. There is only one remedy for it, and that is for the Government to take possession of every article that is imported into the country and not give it to the importer until it has passed an examination.

Q. The Government does that now, does it not, sir?—A. No, sir.

Q. That is, it does it so far as it can by law?—A. Well, yes, by law of course; but what I mean is that every single case of goods, when the duty is *ad valorem*—it is not necessary in specific duties, only so far as to verify as to quantities—but when the duty is *ad valorem* the only thing to prevent fraud is for the Government to take possession of all goods and examine every package. Of course, that would involve an immense outlay and an immense expense, and I don't know that the Government would stand it. It would, of course, double, treble, quadruple, probably, the number of office-holders, but I think the Government would save five times the outlay.

Q. I understand you to say that where one package out of the ten is designated to be sent to the public store for examination the probabilities are, on the doctrine of chances, nine to one that the false package will not be selected except in the case of collusion?—A. There is a chance of it. In the game of chances the chances are in favor of that escaping.

Q. That the false package will not be selected except in case of collusion?—A. I suppose—

Q. Is that so?—A. The false package would not be taken except in collusion. Yes, sir.

Q. Now, have you ever heard of any system at the port of export in Europe of preparing false and fraudulent packages for designation at this side?—A. No, sir; I have never heard; I do not know of any of my knowledge.

Q. Suppose now that in that lot of ten packages there were eight honest packages and two false ones, might not the two false ones be so valuable as to very greatly change the nature of the case as far as the interest of the Government, on the one hand, and of the importer on the other, is concerned? Yet upon the same doctrine of chances, of which you have spoken, the probabilities would be that the fraudulent packages would escape detection and a fair package would go to the public store; is there any guard against such a fraud as that that you think of?—A. I don't know what system, what rule, what principle governs the deputy collector in designating the goods for the public store.

Q. Can he have any rule, if he is honest, except to take a number at random?—A. No, sir; of course not.

Q. So there is no rule?—A. No; unless he knows the false packages on an invoice, or, for instance, a series of consecutive numbers—400 to 410; he may mark 400 or 410 and strike right in the middle and mark 405.

Q. But where there is in a lot of ten but a single package containing very valuable goods not differing in weight or in outward appearance from nine containing cheap goods subject to a low rate of duty, is there not the same probability you have spoken of, on the chances of nine to one, that the valuable package will escape detection and pay no more to the Government than, perhaps, one-tenth part of the duties which it should pay?—A. Yes, sir.

Q. Is there any system that would guard against such an abuse as that except the practice which I understand prevails in England of having all the packages opened and examined in the public store?—A. There might be an amendment to the law which would make it the duty of the appraiser—after the package has been designated by the collector "to public store"—make it the duty of the appraiser also to designate a package or more.

By Mr. HOWE:

Q. Which would add to the checks?—A. Which would add to the checks.

By Mr. CASSERLY:

Q. That is a good practical suggestion; it doubles the checks precisely?—A. Yes, sir; I do not see any objection to that; of course, now, if there is anything disclosed in the examination of a package which leads the appraiser to suppose that there is something wrong he immediately requests the collector to send all the rest of the goods to the public store. That is done for two reasons. One is to see whether there is any fraud intended, and if so it puts the goods of the importer all in the possession of the Government. But now, for instance, a man will import, say five hundred cases on the one invoice, representing one kind of goods; you may say wine, sweet-oil, macaroni, or anything else.

Q. Dry goods?—A. Yes, sir. Well, out of that five hundred they won't send five hundred to the public store; it don't seem to be necessary. They sometimes send ten. I know of an instance where there is even much less than that in that class of goods, when it is not supposable that there could be any fraud perpetrated upon the Government, but importers under the present law as to the classification of the goods where the rate of duty is determined by the extent of material which enters into the fabric as a component part, whether it is silk or cotton—goods can be entered; for instance, 35 per cent. *ad valorem* by the importer, when in reality they are subject to a duty of 50 per cent., and yet he will avoid confiscation of his goods or any penalty whatever, because it only involves a change of classification, to be determined by the experts of

the appraiser's department as to whether cotton is the chief value in the goods, or whether silk is the chief value, and the importers—some of them, and the manufacturer—would draw that line so close that it is almost like the line between night and day. It requires the closest inspection, sometimes, even to analyze carpeting or minute warps or filling, to determine whether it should be 35 or 50 per cent. duty. Of course, the importer will, as a general thing—I don't know but what always—assume, where it is so nearly divided, that the goods are only subject to the lower rate of duty. That is one of the incongruities of the tariff act, which permits erroneous classification and defects in the phraseology and language of the law, which itself invites fraud or gives opportunity for it.

Q. Would it or not be an improvement of the present tariff system to diminish the number of *ad valorem* articles?—A. My personal opinion has been that the more specific duties we can have the less fraud we will have; that is, if you put a dollar a gallon on wine, all you have got to do, then, is to know that it is wine and how much there is of it; but if you have, as the tariff act says now, on all wines less than 40 cents a gallon 25 cents, and above 40 cents and less than a dollar 60 cents—

Q. [Interrupting.] You are speaking of valuations?—A. Yes, sir; and of the application of *ad valorem* to valuations. If you have above a dollar a gallon—a dollar specific and twenty-five *ad valorem*, for instance—now here is a thing that would affect the classification of goods as to the rate of duty. Goods are manufactured in the interior of England; they are sent to the port of exportation; a change in the value of the goods per square yard and the cost of manufacturing might change them from 35 per cent. or from 10 per cent. to 25 per cent. by a mere advance in labor or coal used in the manufacture of those goods, and the adjustment of the tariff under the *ad valorem* system requires all those nice calculations to be made. Our experts have to have a complete knowledge of the cost of manufacturing the goods, the charges upon the goods, the boxing, the labor in packing, conveying them to the port of shipment. We trust somewhat to the certificate of the consul—the information we get from him abroad in regard to that. But under a specific rate of duty it would involve hardships, perhaps, in certain classes of goods; for instance, you might put \$5 a yard upon velvet, which will be no hardship to people who are able to wear it, but if you put that upon a calico dress it will affect the poorer class of people, and be a great hardship and burden, I think.

Q. But calico don't belong at all to the same class of fabrics as velvet?—A. No, sir. You can say that the velvet is so much a yard whether poor or fine, of course, but where there is a great difference in the quality of goods, it would sometimes operate, perhaps, against that, as you can readily see. But there are certain kinds of goods where specific tax can be retained, where it would diminish the chances of fraud.

Q. On the whole, your judgment is that it is desirable to diminish the list of *ad valorem* articles in the tariff and increase the list of those on which the duties are specific?—A. That is my judgment. Of course, there has got to be an adjustment of the tariff in such a way as not to have it bear oppressively on any class of people.

Q. Did you state whether you knew or not that the laborers employed by the contractors for the labor are sworn?—A. They are not sworn; they are not officers of the Government; neither are the contractors officers of the Government.

Q. Are the contractors themselves sworn?—A. Not to my knowledge; I think not. They are not recognized by law, I don't suppose, as officers of the Government; I don't see how they can be.

Q. So that that large body of men—ordinary laborers—are free from any restraint imposed by an oath, or from any restraint imposed of an official character?—A. Yes, sir. Still, while I believe, from the high character of these gentlemen and the opinion I have of them as individuals—as contractors—while I believe that they would, in all cases, be very zealous in the employment of men, and very watchful to see that no spoliation took place, because it would involve them in loss, yet it will be seen that, under the system it involves the employment of labor that can be obtained at the least possible price.

Q. That is their interest?—A. Their interest; and in obtaining labor at the lowest possible price, of course, you have to take what you can get.

Q. Do you know what are the average rates the laborers are paid by the contractors?—A. I think \$2 a day; well, that is good wages for a great many men, and very poor wages for a great many.

Q. What are the Government wages?—A. The openers and packers are paid \$3 a day, and are sworn officers.

Q. Do you know what the laborers of the contractors in the public store get?—A. I guess they have no laborers; all the laborers are contractors; they have clerks only.

Q. The general evidence is that the Government laborers are paid at the rate of 40 cents an hour?—A. I suppose those are laborers that are on the docks, &c.; they are not in the public store.

Q. I understand you to say that this body of laborers, picked up in the manner you describe, are paid at the lowest possible rates?—A. I suppose men could be got, per-

haps, for less than that; men that have nothing to do would work for twenty-five cents a day.

Q. They have all the opportunities and all the control you have described in regard to the entire building and its contents, week-days and Sundays?—A. Yes. I think the contractors pay more especial attention in regard to the men they get for watchmen.

Q. They pay what price?—A. They pay the same price—\$60 a month; they go there on all the week, Sundays and all.

Q. Is the pay of the day and night watchmen the same?—A. I presume it is.

Q. How long are the night-watchmen on duty?—A. I think they are on from 5 o'clock in the afternoon until the stores open in the morning, at 8 o'clock—5 to 6 o'clock.

Q. They take it from 6 to what hour the next day?—A. They may be changed; the day-watchmen may come on earlier; I don't know what the exact hours are; I presume the time is divided in the twenty-four hours, equally.

Q. And the wages of those watchmen are \$60 a month?—A. So I understand; yes.

FIFTH AVENUE HOTEL, NEW YORK, *February 7, 1872.*

Colonel HIRAM C. WHITELEY sworn and examined.

By Mr. PRATT:

Question. State your name and official position.—Answer. Hiram C. Whiteley; chief of the secret-service division of the United States Treasury.

Q. How long have you held the position?—A. Since the 12th day of May, 1869.

Q. When was your division organized, and who was your predecessor in office?—A. William P. Wood was my predecessor; I could not say at what time it was organized.

Q. Can you refer the committee to the statute—the act of Congress—under which this division exists?—A. I cannot, exactly; it is an act making provision for the detection of counterfeits and other frauds upon the Government.

Q. From whom did you receive your appointment?—A. From the Secretary of the Treasury.

Q. You have held that position, then, for nearly three years?—A. Yes, sir.

Q. You may state what subordinates you have in your division?—A. I employ men, that are called operatives, to detect counterfeiters.

Q. Operators or operatives?—A. Operatives.

Q. How many operatives have you?—A. As main operatives, I think I have about twenty altogether in the United States. They employ other persons to aid them.

Q. The operatives do?—A. Yes; such persons generally who bring information; they employ them for the time being, perhaps, in some instances.

Q. Is there a class of officials in your division known as assistant operatives?—A. That was under the old rules they called them assistant operatives; I class them as informers—more usually as informers.

Q. By whom are they appointed?—A. They usually are appointed by me, especially in New York. They are not appointed, in other words, at all; they are employed for the time being; they have no appointment. The operatives are appointed by me, and their appointment is confirmed by the Solicitor of the Treasury.

Q. For how long a period are they appointed?—A. No stated time.

Q. What is their compensation per day?—Varying from \$4 to \$6 per diem.

Q. What other force have you under you besides the operatives and their assistants?—A. I have operatives to look after the Ku-Klux down South.

Q. Have you any clerks in your office?—A. Yes; I have clerks.

Q. How many?—A. I have five, I think, altogether; two in Washington and three in New York.

Q. You have an office in Washington?—A. Yes; in the Treasury building. We have a room assigned us, or rather two rooms.

Q. Do you have an office here?—A. Yes.

Q. You rent that office yourself?—A. Yes.

Q. Does the Government pay the rent?—A. Yes, sir; it comes out of the secret-service fund.

Q. There is an appropriation called the secret-service fund?—A. Yes; so applied.

Q. You can now state to the committee a general outline of the duties of your department, or division, as you call it?—A. Our specialty is to detect and bring to punishment counterfeiters, wherever we can find them in the United States; and wherever we find a case of fraud upon the Government, we attack it.

Q. Wherever you find a case of fraud upon the Government?—A. Yes; we attack it to the best of our ability. We cause the parties to be arrested; and in New York we seize, or have seized, quite a large quantity of goods, at different times, for violation of the internal and external revenue of the country.

Q. Are your operatives and assistant operatives scattered throughout the United States?—A. Yes.

Q. You have a general jurisdiction or authority over all, have you?—A. Yes; I have the appointment of all.

Q. The operations of your office extend to other ports as well as New York, Washington, Philadelphia, Baltimore, New Orleans, &c.?—A. Yes; all. Wherever the flag floats we do whatever we can. I might remark here, that in this port I seize (as I hold the appointment of inspector of customs, which gives me authority to seize) all goods in violation of the custom-laws. I hold an appointment as inspector of this port, the same as any other.

Q. Is that the title of the office—an inspector of customs?—A. Inspector of customs.

Q. When did I understand you to say you received that appointment?—A. I have it right here; I can tell you the exact date of it. It bears date the 31st day of January, 1871.

Mr. PRATT. I hand this to the clerk, that he may read it.

The clerk read as follows:

“UNITED STATES OF AMERICA,

“*Certificate of appointment.*

“This is to certify that H. Whiteley, having been confirmed by the Secretary of the Treasury as inspector of the customs in and for the district of New York, and State of New York, is authorized to exercise and perform the duties of the said office in accordance with the laws of the United States and regulations of the Treasury Department, and his authority will be respected accordingly, until his appointment is revoked.

“Given under my hand and seal of office, at the custom-house, New York, this 23d day of February, in the year of our Lord 1871.

“THOMAS MURPHY,
“*Collector.*”

Q. Do you receive the salary or pay of an inspector of customs?—A. No, sir; I receive no pay. I took the office with that understanding, that I was to receive no pay. I draw my salary as chief of the secret service.

Q. Did I understand you to say that you sought and obtained that appointment on account of the local powers it invested you with to make seizures and arrests?—A. Yes; I sought it from the collector and Secretary of the Treasury.

Q. Before you received that appointment, had you been in the habit of making arrests and seizures of goods?—A. We had, in some instances; we had detained the goods until they could be—until an inspector could be brought. We had had our inspector with us. Mr. Young had been assigned to us, and we could not always get him when we wanted him.

Q. What relation to you did Abraham C. Beatty sustain?—A. He was employed by me, I think, first in the spring of 1870, as an informer or assistant. He was recommended to me by Inspector Wallis, of the police department.

Q. Of whom are you speaking now?—A. Mr. Beatty.

Q. Had you any previous acquaintance with him?—A. Never. Mr. Wallis spoke very well of him, and I employed him. I might state, right here, that I never ask a man his politics. I only look to his good character and ability to perform the services which I require.

Q. At what rate are these assistant operatives or informers paid?—A. I pay them all prices, according to the value of the services. I think Mr. Beatty—I think I commenced by paying him a salary of \$4 per diem. The work is rather irregular.

Q. How long did he continue under your authority as informer?—A. I commissioned him afterward; I gave him a commission.

Q. For what?—A. As an operative. He performed some very fair services while he was with me, for some time. He is a pretty energetic man. In the spring of 1871 I had some reason to distrust him. I had received information that certain cigar-men in the town had complained that one of my men had attempted to black-mail them. I received it from Washington; I don't recollect what it was exactly.

Q. From the Treasury Department?—A. No, sir; it came from the Internal Revenue Department; and I instructed one of my men to look after it, and see what it was. There was a man who talked very bad in my place, and the description given answered Mr. Beatty, but it was a very gross violation of the law, and therefore I thought I would look still further. I think it was in the month of April, we seized quite a large quantity of wine. Mr. Beatty had the custody of it, to transfer it to my office. We usually, where wine was seized that way, before making up the papers—and perhaps it might be seized after night—I will say, in fact, usually it is brought to my office first; there we make up the papers, and turn it over to the custom-house. In this case we found a large quantity of wine missing—ninety-odd bottles of the six hundred and odd bottles, I think—and I instructed Mr. Nettleship to look after it. He discovered that the wine had been stolen by Mr. Beatty, and we recovered, I think, all but about thirty bottles.

By Mr. CASSERLY :

Q. How many were missing at first ?—A. About ninety bottles.

By Mr. PRATT :

Q. Who was this gentleman you put upon this inquiry ?—A. Mr. Nettleship, who is my chief assistant.

By Mr. BAYARD :

Q. What was the date of that seizure ?—A. I could not state without getting my books.

Q. About the date ?—A. I think it was in April, 1871 ; that is my impression.

By Mr. PRATT :

Q. Go on now and complete the statement that you were about to make.—A. I immediately discharged Mr. Beatty. He came forward and protested to be very sorry for it ; and, in fact, almost cried, and wanted me to put him back again.

Q. Did he make any confession to you in relation to the appropriation of the wine ?—A. He admitted that he had the wine, but he said he was no worse than some of the others ; he said that some of the other men had wine also.

By Mr. CASSERLY :

Q. Had some wine, or some of that wine ?—A. Had some of that wine.

By Mr. PRATT :

Q. Some of the thirty bottles that were still missing ?—A. I think that we hadn't, up to that time, recovered all, except the thirty bottles ; I think that was the final ending of the case. A great portion of that was found on Mr. Beatty's premises.

Q. Under what circumstances had he made that seizure of upward of six hundred bottles ?—A. The circumstances don't precisely occur to me now.

Q. State what you remember in relation to the seizure of the wine ?—A. I cannot say under precisely what circumstances it was seized, but it is my impression that it was seized because it was not entered on the invoices of the ship, and was offered for sale.

Q. What became of the seizure ? Was the fraud established ?—A. Yes, sir, and the goods were turned over to the custom-house, and were never reclaimed.

Q. Do you mean they were sent to the seizure-room of the custom-house ?—A. Yes ; turned over to the seizure-room.

Q. What have been the personal relations subsisting between you and Mr. Beatty since the time he was discharged ?—A. I have not the least feeling toward him whatever. He has expressed himself repeatedly as being determined to upset me in every opportunity, and has threatened me, as I will be able to prove by witnesses about here, that I should not be able to convict any more counterfeiters, and that he would go on the stand whether he knew anything about the case or not. I might state that Mr. Beatty came to me and wanted me to recommend him, afterward ; I suppose that is within a few days from that time. I told him I was not able to do it. In the mean time I learned that he had been engaged in a transaction that the man called black-mailing. I sent for him, and he informed me that he had paid Mr. Beatty some money ; I think \$25. I don't remember the precise circumstances. It was a Mr. Nolan. I only know what Mr. Nolan told me himself. I afterward learned that a Mr. Clymer also had paid some, and I sent to him this morning to come to my office, and he said Mr. Beatty did black mail him for \$50.

Q. What business is he in ?—A. A cigar-man. It is a clear case of black-mail, as it came to me.

Q. What place did he wish you to recommend him to ?—A. He wanted to get some work. I told him I could not do it.

Q. How long since he made that application ?—A. That was immediately after his discharge.

Q. That was in April, 1871 ?—A. Yes.

Q. Has your attention been called to the published testimony of Mr. Beatty ?—A. Yes, sir ; I have read it in the Times, and I think in the Herald.

Q. He speaks of what he calls the Radcliffe diamond case, occurring in January, 1870, and speaks of a lot of diamonds that were found at a broker's office, and which you sold, or distributed among your friends. State the case in all its particulars.—A. There is a mistake as to the date ; it was in 1871, I think, in January, I received information that there was a party here in New York.

Q. When did you say this was ?—A. I think, in January ; I am not certain ; I may have received the information in the fall ; I think I did receive the first information a few months before that, and my men were informed of the fact ; I don't recollect the exact particulars now ; but Mr. Nettleship devoted some time to it, and got some track of this merchant, but hadn't learned his name ; one day a Mr. Justice came to my

office, and said that he had some information he offered to give me in regard to diamond-smuggling. He went on and detailed that while in England, a short time before, and on his way to this country, that he had met a Mr. Chamberlain, as he knew him then, but afterward proved to be Mr. Radcliffe; that, in the course of the passage, he learned that Mr. Chamberlain, *alias* Radcliffe, had a quantity of diamonds in his possession, and that Chamberlain consulted him, Justice, as to the best manner to bring them ashore; that when they arrived here at this port, the diamonds were brought ashore, Mr. Justice bringing ashore the papers that Mr. Radcliffe alleged that if they were discovered on his person would show that he had the diamonds concealed, or had diamonds.

Q. What papers were those?—A. I could not tell you, but probably the invoice, from what he said, and papers designating the diamonds. He said that Mr. Radcliffe brought the diamonds ashore, packed in the calf of his leg—a false calf, he told me—and after he got up to his room that night, he took out the diamonds and exhibited them to him and a Mr. Esmond. He said that Mr. Radcliffe was anxious to get an agent to sell these diamonds; to act as his agent, and sell diamonds throughout the country; that he had a way of bringing a great many diamonds into the country, and that Mr. Esmond became Mr. Radcliffe's agent, Mr. Justice becoming Mr. Esmond's bondsman. I immediately went; he gave me the number of Mr. Radcliffe's place; I went there, and, I think, when I went in there, I was introduced by Mr. Esmond as a merchant, who wished to buy diamonds, from Chicago. I merely assumed that position for a few moments to ascertain the facts, and Mr. Radcliffe talked very freely with me about diamonds, and he said he could sell me diamonds cheaper than Ball & Black. I spoke of them to show my knowledge of the trade; and he said he had diamonds he could sell very cheap, but I noticed he was very loath to bring his diamonds out. He seemed to be still a little puzzled as to my true position. The fact became apparent that Mr. Esmond and he, only the day before, had had some words, and he had suspicions of him. I arrested Mr. Radcliffe, who was taken before a United States commissioner, and, I believe, held to await the action of the grand jury. His lawyer, General Anthon, I saw a short time afterward. I did not, at that time, I wish you to understand, recover the goods. I did not get the goods at that time that he was alleged to have in his possession. Mr. Anthon and another gentleman here—I don't now, at this moment, remember his name, but I can very easily get it—informed me that this man Radcliffe, who was a very young man, was not the most guilty party in this transaction, but was induced to do this thing by this man Justice, who gave the information. Afterward I received information as to the whereabouts of the goods. They were in the possession of this gentleman that I speak of, who was a friend of Mr. Radcliffe. He delivered those goods to me.

Q. What is the name of that person that had possession of them?—A. His name has entirely slipped my mind; perhaps I might ask some one.

(A gentleman near the witness suggested the name "Bradley.")

By Mr. CASSERLY:

Q. Who is that person who prompted you, in the outside of the room—beyond the railing?—A. He is one of my clerks.

Q. What is his name?—A. Mr. Sullivan; the gentleman can be forthcoming at any time.

By Mr. PRATT:

Q. One of your clerks?—A. Yes. He gave the goods up to me; I took them in charge, and turned them over to the custom-house authorities.

Q. How do I understand you to say; you found the diamonds in the possession of Bradley?—A. Well, we got some information, I think, from—I think I got the principal information from Judge Davis.

Q. Who?—A. Judge Davis, the district attorney. I think Mr. Bradley went to see Judge Davis, and informed him he had the diamonds; I don't recollect under what circumstances; I am giving the outline of the case as near as I can remember.

Q. Describe the diamonds that you seized, and what you did with them, and their value.—A. It is my recollection, and the best of my recollection, that they were appraised somewhere about \$4,500. That is the amount which he paid into the Treasury Department, as I have been told.

Q. Who paid into the Treasury Department?—A. Mr. Radcliffe. I think it was \$4,500. He paid, as I understand, the appraised value of the goods.

Q. Do I understand you to say that you turned these diamonds over to the custom-house authorities after the seizure?—A. Yes, sir; I turned them over to the seizure bureau—to Mr. Clark. I turned them all over to him, and took his receipt for them.

Q. How many diamonds were there?—A. I don't remember the number; it seems to me that there was—the Government weight a little overrunning the amount that Mr. Radcliffe supposed there was.

By Mr. CASSERLY:

Q. You were asked for the number of the diamonds.—A. I could not say; I don't know as to the number of them; I don't remember counting them; they were mostly small diamonds.

By Mr. PRATT:

Q. Did you ever come into possession of his bills of purchase or invoice of the diamonds?—A. I think I did, some portion of them; but then I could not tell which diamonds they related to, as he had sold some diamonds through the country.

Q. Did you find fifty-four diamonds, or any number, in the broker's office in this city?—A. Yes, sir; under these circumstances: I learned from Mr. Esmond that Mr. Radcliffe had been in the habit of pawning diamonds with a broker. I went to Mr. Pike's place, and asked him if he had received such packages of diamonds from Mr. —, received any diamonds, and he said he had received a package of diamonds.

Q. What was the name of that gentleman?—A. Mr. Pike; but he had no knowledge of anything wrong in regard to the diamonds. He had loaned him, I think, \$236 on the package that he then had in his possession, and the time was about out, I think.

Q. Did you seize those?—A. I saw the district attorney. I didn't seize them. I saw the district attorney and mentioned the fact to him, and I said, myself, that I thought it was a hardship that those diamonds should be seized from this party; that he was an innocent party, to say the least. I also said that I was not certain what the package held, but I thought it was just as it was represented, and I didn't like to seize it, but suggested the idea of my getting this package and seeing what was in it. I didn't want to injure the man. I saw Mr. Anthon and mentioned that fact to him.

Q. Was Mr. Anthon the attorney of Mr. Radcliffe?—A. Yes. He said that instead of there being any objection to my taking them, he didn't intend to take them up, and he gave me an order for them. Before going there I said I didn't know but I might get stuck in furnishing the money out of my own pocket, and I asked my own men, two or three of them, if they would take them off of my hands if they proved to be not what I supposed they were.

Q. Did you advance the charges?—A. Yes. I think I paid \$236, just the amount and the interest. I took them to Judge Davis, and he said they were not, under the circumstances—he didn't think they were worth proceeding against, or words to that effect. He said he didn't see any impropriety in my letting the men have them. I didn't want them, and under the circumstances I gave them to the men, and they paid the amount of money.

Q. Did you return these diamonds to Radcliff, upon his paying the \$236 and interest?—A. No, sir; he didn't ask for them. I let my men have them by paying the amount of money. I wanted them to take them off my hands; I had no use for them; they were not worth any more than the money.

Q. Did you submit them to any expert in order to learn their value?—A. I was very well satisfied, from my knowledge of diamonds, that they were not worth a great deal more than the amount; they might possibly be peddled out and bring more, but that was their true value.

Q. How much did you realize from their true value?—A. Not one cent; not one dime.

Q. Did you sell them for enough to replace the money you gave to Mr. Pike?—A. I didn't sell them at all. I had said to the men that I wanted them to take the diamonds, if I found they were not wanted. I was anxious to see what was in that package, and I took them for that purpose.

Q. Which of your men got the diamonds?—A. Mr. Beatty got some, and Mr. Nettle-ship, and another of those in the office. They voluntarily offered to take them.

Q. Were you advised to this course by Judge Davis?—A. Not particularly; he said he didn't see any impropriety in it, or words to that effect. He told me I had better get an order from Mr. Radcliffe; I had better not seize the diamonds or anything of that kind.

Q. You did get an order?—A. Yes; I got an order from General Anthon, signed by Mr. Radcliffe, or General Anthon, as his attorney; I think it was signed by Mr. Radcliffe himself.

Q. Was there any subsequent inquiry into this transaction?—A. A short time after that, in making—of course in making my seizure report to the custom-house—I filed myself always as informer where I seized—all seizing officers are understood to be the informer in the absence of any other. I filed myself informer. A counter claim was filed by Mr. Esmond, and in the course of that examination Mr. Beatty, the same witness, went on the stand and swore to something similar to what he has sworn to here. I was then in California; I only saw what was in the papers; I had no opportunity to contradict it.

By Mr. CASSERLY:

Q. What case was that?—A. That was in the case as to the moiety. Mr. Esmond, it

was decided, should have a moiety. I think the referee recommended that, and Judge Blatchford signed the decree of the moiety on the diamonds to Mr. Esmond. I immediately got the case opened up, and by proper explanation by my attorney Judge Blatchford decided that neither of us was the informer, as informers, but that I was the proper man to receive the moiety as seizing-officer under the law, and the case so stands on our appeal to the circuit court. It stands that way now. In conversation with the district attorney in regard to this matter at different times, he said that the really guilty parties, in his opinion, in this transaction, from all that had been told him, was Mr. Justice, and, according to Mr. Radcliffe's statement and Mr. Justice's own statement, I was very well satisfied of it.

Q. Justice was the man that wormed himself into the confidence of Radcliffe?—A. Yes. Mr. Justice was arrested and brought before Commissioner Osborne, and I think Mr. Radcliffe appeared as a witness, and they were both held. They were both indicted and are now awaiting trial under bond. I have got a large number of persons indicted here and waiting for trial, and I suppose they will wait. Justice and Radcliffe are indicted, I think; Mr. Radcliffe is, I think.

Q. Now, I wish to trace the diamonds that were placed in the custom-house. You may follow them, and state what proceedings were had subsequently against those diamonds.—A. From representations made, as I understand, to the Secretary of the Treasury, those diamonds were returned to Mr. Radcliffe, upon his payment of the appraised value of them. He paid the duty, and the full value of the goods—upon the representations made to him by Mr. Radcliffe and his counsel, that he had been drawn into this matter.

Q. Paid both the duty upon the diamonds and the full value of the diamonds besides?—A. Yes; the appraised value; they generally appraise them fully their worth.

Q. Where was the money paid?—A. It was paid in to the Secretary of the Treasury; I cannot say; Mr. Murphy can tell you.

Q. Was it paid to the district attorney?—A. I cannot say; but it was paid properly—that is, under the law.

Q. Do you know whether there was any libel filed against these diamonds?—A. I cannot say whether there was a libel—I cannot say whether the proceedings had got that far or not, but it is my impression that there was a libel filed, and it was settled in that way.

Q. You say it was settled with the sanction of the Secretary of the Treasury?—A. As I understand it, those cases go on to the Secretary of the Treasury, with a recommendation that they be settled upon the receipt of a certain amount of money. That recommendation is usually made by the custom-house authorities, upon representations made to them.

Q. Have you anything further to say in connection with the diamond case?—A. I don't think of anything at this moment in relation to that particular case. We have seized other diamonds at divers times.

Q. Mr. Beatty, in his testimony, states that the men connected with your office used to arrest parties almost every day for smuggling cigars; that you always took everything that was seized into your possession; that the cigars that were transferred to your office were distributed among your friends, and among policemen; that the best of them were picked out and sent to Washington, and to certain clerks in the Treasury Department; that so far as his information and knowledge extends, all the Government ever realized from any seizure of cigars was \$18.25 or \$18.50, and that seizures were made under your authority, or the operatives or assistant operatives under you, to the amount of more than half a million of cigars?—A. Well, if he says that we have only turned over that money, his knowledge does not extend very far.

Q. I have stated, substantially, what charge he made against your office.

Mr. CASSERLY. He named but one clerk in the Treasury, I think.

The WITNESS. We have in the past three years, in my opinion—I am not positive about that—seized at least half a million of cigars at this point and others, but Mr. Beatty has never personally, to my knowledge, seized but very few, or acted in concert with others in seizing those cigars. Those cigars have been invariably turned over to the proper authorities. I don't smoke myself, nor chew, nor drink. I can say that much.

Q. When you speak of the proper authorities, who do you refer to?—A. Sometimes they would be in violation of internal revenue; in that case they would be turned over either to the collector or the marshal; it would depend upon circumstances.

Q. But where they were smuggling cigars, what did you do with them?—A. Always to the custom-house. I think I turned over thirty thousand at one time to the custom-house, that I seized off steamers from Havana. I complained against those steamers, and the Cleopatra and Columbia were seized. I found on board cigars concealed in the ship, several times.

Q. Until these seizures were made, what facilities had you for storing cigars or other property seized? What precautions were employed by you against the property being abstracted?—A. We never more than detained the cigars at my place, in order to make

out the proper papers for them. We got a great many at night and there was no other place to take them except to my office and keep them there until the next day, when they would be immediately turned over to the custom-house. In one instance, when I speak of this thirty thousand, I had commenced making seizures, and in order to prevent it being known that I was getting hold of those cigars, I kept them there for several days and turned them over in bulk to the custom-house. They were all turned over. I have never disposed of a single box of cigars that have been smuggled or seized in violation of the internal revenue office since I have been in office; never, and I don't think any such case ever occurred in the office.

Q. Were the cigars always in boxes?—A. Not always; we have seized cigars sometimes that were loose; but those were generally goods that were manufactured here. We seized quite a large number of factories, in violation of the law, and those were not removed to my office; they were turned over to the collector.

Q. Were the boxes ever opened in your office?—A. Not that I am aware of.

Q. What particular room did you store them in for the time being, and what precaution did you take against their abstraction?—A. Usually, when we were on the opposite side of the street from where we are now, we put those goods in my private office, and they were locked up and none had access to them except the clerk. Perhaps Mr. Coon generally, but since we have been in Bleecker street we have a closet there on purpose for that business. If we should get diamonds at night we would put them in the safe.

Q. What opportunity was there of outside parties getting those cigars and smoking them?—A. Mr. Beatty is the only dishonest man I know of being about my office. He may have stolen some cigars; I could not say, but I never missed them. Mr. Beatty is the only dishonest man that I had, to my knowledge, employed there by me, that has ever committed any dishonest act while in my force.

Q. And you say that he may have stolen them?—A. I say if he did I know nothing of it; he may have stolen them before I turned them in, possibly.

Q. Did you ever distribute any cigars or allow them to be distributed among your friends?—A. Never, except cigars that were purchased. I have bought cigars to treat my friends sometimes. I don't smoke, but I have purchased cigars and my men have purchased cigars. They buy their cigars and keep them in the office.

Q. Did you ever treat policemen to boxes of cigars?—A. No, sir; I should like to know who they were. I should be very willing to have them come forward and state if they did; I have no recollection of any such instance.

Q. Do I understand you to say that you never, in the distribution of cigars among your friends, used any of those cigars that you had seized?—A. Never.

Q. Did you send any cigars to Washington, to any clerk or employé in the Treasury Department?—A. I purchased, my recollection is, one box of cigars for Mr. Banfield; which I paid for at the cigar store, and sent to Mr. Banfield. That, according to the best of my recollection, is the only box of cigars that I ever forwarded in my life to anybody.

Q. Is he the Solicitor of the Treasury.—A. Yes; he would not have received them if he thought for one moment that they had been taken wrongfully.

By Mr. CASSERLY:

Q. Nobody ever said that he would.—A. No, sir; I saw it in the papers that Mr. Banfield received them.

Q. That is a different thing from receiving them with guilty knowledge?—A. If they are seized cigars they have no stamps on them, and Mr. Beatty would be as well aware of their character as I would. They are plain on the face, if they are not properly branded.

Q. The witness stated that they were repacked in your office, and sent out by express?—A. That is not true, as far as I have any knowledge.

Q. How could Mr. Banfield have any notice then?—A. I don't understand how any man could repack an imported cigar unless he goes out and gets a box that has been imported; I never did it.

By Mr. PRATT:

Q. I understand you to say that you sent one box to this gentleman?—A. I have no recollection of sending more than one.

Q. And that box you purchased at a cigar store?—A. Yes, sir.

Q. Whenever you made seizures of goods did you make a return of your seizure; and if so, how was that return made?—A. We always made up the proper blanks and sent the goods to the custom-house. The return is made to the collector of the port.

Q. In that return do you describe the quantity of goods seized?—A. Yes; and from whom seized. It would not look very reasonable if we were to put in a different amount from what we had received; we would be always liable to be detected if we did.

Q. The custom-house would furnish all of the reports that you have made of the

seizures?—A. Yes; I presume it would, though there is quite a number of goods that was entered in the name of Mr. Young, that were really seized in my division. I think most of the cigars were seized through him. I was not an inspector at that time, and I used him as the inspector. He went on board ships with me. He was here before you, some time ago.

Q. Did you yourself ever sell, or cause to be sold, any goods that you had seized?—A. No, sir, never.

Q. Mr. Beatty speaks about a certain sum—\$18.25 I believe it was—that was accounted for by you, realized from the sale of some cigars; do you know what he refers to?—A. No, sir; I don't know what he refers to. I might if he were to speak to me of it. I never in my life sold any cigars, never.

By Mr. CASSERLY:

Q. The statement was that there was a seizure of cigars made in your office, which were sold in due course, and after selling them the net result was \$18.25. I don't think anything more was said by the witness. I asked him expressly whether he meant to question the correctness of the return, and he said he did not.—A. I don't know of any instance of my selling cigars, and I don't know of my men selling any; I hold my men very strictly accountable, and I think they would all say that no cigars were sold unlawfully.

By Mr. PRATT:

Q. By whom are the goods sold which you send to the seizure-room in the custom-house?—A. I believe, after due process of law, they are sold by the marshal. I think they are turned over by the marshal and sold by the auctioneer, as I understand.

Q. Is there a proceeding *in rem*, as it is called—I mean as to where the value of the goods exceeds \$500?—A. I cannot say as to that point; that is the business of the custom-house; but we have never made a seizure, I think, in any single instance, where the goods have been recovered. I think our seizures have all stuck; that is my impression. We have been always careful in that line.

Q. You know of no instance of a restoration of the goods to the parties from whom they have been seized?—A. I don't know of any; it may be possible that goods have been returned.

Q. Were you not interested as an informer in these seizures?—A. Yes.

Q. You were interested, then, of course, in tracing the goods seized, and knowing what became of them, and how much they realized from the sale, &c.?—A. Yes. I have received the informer's share of goods sold there a good many different times, but no large amounts.

Q. Where do you receive your share of the moiety?—A. In the custom-house; I think I received it of Mr. ——. I am not certain who the clerk is, but they pay checks there, and they pay whatever is set opposite our names, and we sign for it—the informers or seizing officer, there.

Q. You know nothing of the proceedings in court against the smuggled property, I understand you to say?—A. I cannot tell you how that is done.

Q. Beatty states that while he was acting in your office, that you were in the habit of getting ten thousand cigars a week right along, and that he has known as high as one hundred and fifty thousand cigars to be in the office at one time.—A. That is not true, at all; I never knew of any instance of the kind; we never seized that many cigars, in any place or number of places, within any reasonable space of time. I said thirty thousand, but I think it was twenty-eight thousand; that is the most we ever turned over to the custom-house at any one time.

By Mr. BAYARD:

Q. How many?—A. Not to exceed thirty thousand; I think it was twenty-eight thousand.

Q. In one lot?—A. Yes; and those were seized from different ships, I think it was. It covered the space of several days.

By Mr. PRATT:

Q. Go back to the matter which was asked you; several days ago I read the statement of Mr. Beatty, who was asked who you gave the cigars to; he answered, "to friends and acquaintances who used to come in; to policemen and reporters; he gave a whole box to a policeman at one time; some of the reporters used to come there regularly for their cigars."—A. I have given to reporters sometimes, but very few, out of a box that I paid for. Mr. Newcomb generally keeps a box there to treat the reporters, but he pays for them, as far as I know. He could not get them out of the seized cigars, that is certain. He knows a good many reporters. I have no familiarity with any police officers, except a few headquarters men, and, with one or two exceptions, they have never been in my office. I have no recollection of giving any of them any cigars.

Q. Mr. Beatty speaks of a case where he arrested two parties with one thousand

smuggled cigars off a steamer; that he fetched the men to your office, and that you took charge of the cigars and the men, and kept them until the next morning; that he does not know what became of the men, but you kept the cigars. Do you remember the circumstance to which he refers?—A. No, sir; I do not. It may be possible that he brought some men there in that way; I cannot say. Usually, we took those cases before the commissioner, and, in fact, always. I had a complaint made before the commissioner. We have taken dozens of cases down there, and some of the men have been held and some discharged, according to the evidence.

Q. Was it your uniform practice, when you arrested a man, to take him before the commissioner?—A. Yes, sir.

Q. Never discharged him without taking him before the commissioner?—A. No, sir; I think the records will show that we have taken several hundred before the commissioner at different times.

Q. Where you arrested, in the first instance, without a warrant, do you say you applied for the warrant afterward, so that you could legalize the arrest?—A. It may be where we find a man with cigars on his person that we have detained him. I recollect one instance where we found a man with one thousand unstamped cigars, and I stopped him; I could not give the date nor the man's name; I know the consequence was that we got the factory. We have had hold of so many factories around town that it would be impossible to tell. I know he pointed out the factory, and the goods were seized and turned over to the collector.

Q. Mr. Beatty speaks of several cases where parties were arrested with smuggled cigars, and where the matter was compromised and the parties released, by paying sums varying from two to three hundred dollars, and five hundred dollars.—A. I think that such cases have taken place. I think there have been cases where men have been taken down there to the district attorney's office, and they have asked to be allowed to pay a fine. That is my impression, though I don't know of any particular case, but I am satisfied that such things have been taken. They do that.

Q. Do you know the *modus operandi* in such cases, how settlement was made; whether a suit was instituted, and who the parties to the compromise were?—A. I cannot say exactly, but I think it was understood that, if the party were to pay the fine and give up the goods, that he should not be prosecuted, and I might add, I think, here that I consider, under the present circumstances, that the only way why the Government could realize a dollar. There is good and sufficient reason for the statement.

By Mr. BAYARD:

Q. Do I understand you to say that in this case the property was retained and the fine imposed also?—A. I am not positive of that. I know instances where the fine has been paid, but I think the cigars, if they were unstamped, were certain to be retained and turned over to the marshals. That would be where the goods was in court.

Q. That was not the kind of case that you were being interrogated about.—A. I don't know of such settlement; I know of settlements in the commissioner's office; that is to say, a man is arrested and taken before the commissioner for a violation of the internal-revenue law. It may be a merely technical violation, but he is liable to fine and imprisonment; but he pleads guilty, and says he is willing to pay the fine, but don't want to be prosecuted any further; and I believe that they have been in the habit of receiving the fines.

Q. What—the commissioner?—A. I think it is paid there; I am not certain who it is paid over to, but properly it goes to the court. It is paid over to the clerk of the court, I think. That is my impression.

Q. Who makes this compromise; does the commissioner make it?—A. It is by the agreement of the assistant district attorney. That is concluded to be the best way, and it is the only way, they are so numerous; it is a very bad way, but the only way, in my opinion, in which the Government could realize a dollar, is by the settlement of the cases, both customs and the other cases. The fact is that the facilities for trying cases in this city, before the United States courts, are no greater than they are in places where not, perhaps, a fiftieth portion of the business is being done, as I understand it. There would be no more probability of a man being tried for an offense against the customs here, and his conviction, than the most improbable thing I could imagine.

Q. Is the docket so loaded that the cases could not be reached?—A. Yes, sir; that is the principal reason. They don't even try felony. I have got a case where a man has been in the jail two years. That is the Caldwell case; the great drawback case.

Q. That was the Blatchford fraud?—A. Yes; I went up there, and extradited him, and spent several thousand dollars to get him out of Canada. I know the Government has tried to get it on, and it has been impossible to get it on. Whenever they try they can get it off as far as they have a mind to, on account of the amount of business, and the bail-bond given in this suit is entirely worthless in two ways. I know of but

one instance where the party has appeared who gave bail for any criminal. I have cases where men have been out on bail for two or three years, I think—almost ever since I have been in the office, and the cases never have been reached, and some of them, I know, are not in this State, or anywhere about New York where they could be found. The great trouble here lies in the want of a proper court to try these cases; that is to say, a court that should sit constantly. The Secretary of the Treasury has been very urgent in this case. He wants this man tried and convicted. He has expressed himself as thinking it is the only way this kind of crime—of smuggling—can be broken up. That is my opinion. I have procured a large number of indictments, but I cannot get a trial.

By Mr. PRATT :

Q. Mr. Beatty spoke, in his testimony, of a lot of fifty thousand cigars which he seized on the street; that he had information that the parties would be in Chatham street, and he went there and seized them—a lot of cigars that had been imported from Havana—and when he was asked what became of them, he stated they were smoked up; do you remember that lot?—A. No, sir; I don't know anything about it; it is my impression that the books will show that he never brought and seized fifty thousand cigars altogether; that is my impression; we never, in this district, seized that many.

Q. Mr. Beatty tells me that I was mistaken in the number; it was a lot of one thousand.—A. If Mr. Beatty seized those cigars, and brought them into my office without my knowledge, and turned around and smoked them up, he didn't report them. If he did, my books will show where they went to; I know nothing of it. If anybody done it, he may have done it; I don't know; I have no knowledge of the transaction. Mr. Beatty, if it is proper for me to state what his history is—he has been tried for murder in Suffolk County, and convicted for assault, and he told me that he settled the case by getting the doctors to swear that the man didn't die of the effects of the beating he gave him.

By Mr. CASSERLY :

Q. Repeat that story now.—A. I have a record——

Q. Go on and repeat what you have just said, without the record.—A. I say that Mr. Beatty was arrested in Suffolk County, on Long Island, for murder, and that he was tried and convicted of assault; that he says that he paid the doctors a thousand dollars apiece to swear that the man didn't die of the beating—of the effects of the blows which he gave him; he didn't deny, though, killing the man; he is convicted, and here is his record here. I sent down there to look this record up. I understood at the time that he was working for Mr. Miner as a sort of detective. I found any quantity of witnesses who would swear that they would not believe him under oath. I sent for them during the Miner trial.

Q. That was the case of the other day, in which the judge charged against you and your associates?—A. Yes.

Q. Is that the case?—A. He didn't charge particularly against my testimony. If you will read it, the charge is here.

Q. At all events, you failed to convict the man?—A. They swore him, I think, square out, on pure, rank perjury, and, if I ever try the case, I pledge myself to leave the United States if I can't convict him and show that it is all rank perjury; I know it.

Q. Was Beatty a witness in that case?—A. He didn't dare to get on the stand.

Q. Was he a witness?—A. No, sir; we expected he would be, but I could have impeached him easily.

Q. You said you had no hard feeling whatever against him?—A. I have no hard feelings. I pity him or any man that would take the position he has; of all my experience among men, he is certainly the most unmitigated scoundrel I ever met.

By Mr. PRATT :

Q. Did you know of this charge against Mr. Beatty at the time you gave him the situation in your office?—A. No, sir.

Q. When did you learn it?—A. A very short time after he was discharged by me, and that was one of the points I intended to learn the truth of.

Q. Mr. Beatty produced before the committee here evidence from the secret-service division, dated December 30, 1870, in which his salary is advanced from four to five dollars per day in consideration of the faithful performance of his duties.—A. When he first started, Mr. Beatty did do some very good work on my force. He is a very energetic man, and he could be a very useful man if he had a mind to be honest, but, unfortunately, he is not. That is the only reason why I didn't keep him in my force. He did some very good work, which I am willing to give him credit for.

Q. Do you remember the case of the counterfeit bank-note plate of the Shoe and Leather Bank, that was found by Mr. Beatty?—A. Yes; it was not exactly found. I sent him there for it. The circumstance of the case is this: I arrested a man by the name of William Gurney, a notorious counterfeiter, and he gave me information that

he received his counterfeit money from Miner; I took Mr. Gurney and went near Miner's house, and there we met Mr. Miner; Miner sang out to him, "Hello, old stick-in-the-mud," and shook hands with him. Mr. Gurney introduced me to him.

Q. Repeat that story again about Miner and Gurney.—A. I arrested William Gurney, who is now in State prison, sent there for ten years; he is a notorious counterfeiter. I asked him when he was arrested where he got his counterfeit money. He acknowledged to me that he got counterfeit money from Joshua D. Miner, a man that we knew previously by report to be one of the most notorious counterfeiters in the country, and lacked the legal evidence to convict him. And he said in the course of the conversation that he thought Mr. Miner would give up the plates if Mr. Miner thought it would lighten his sentence, as Mr. Miner was very friendly to him. I thought I would go and get the plates. We had spent a great deal of time laboring to recover them and break up the counterfeiting business. I went there with Mr. Gurney and took one of my men along with me—Mr. Appleby. We got out at the corner of Sixty-seventh street and Boulevard, or near there. While standing there we saw Mr. Miner come from the house, and he came down, and as he got within a few steps of Mr. Gurney he says, "Hello, old-stick-in-the-mud," and Gurney introduced him to me, and told him that I was chief of the secret service, and he said that he was in some trouble, and asked him, or said he could do something for him. Mr. Miner replied by saying that he didn't know anything about him, or words to that effect; and I thereupon took Mr. Miner one side and told him that I was satisfied from information that I had received that he had those counterfeits or had uttered them. He at first denied it very stoutly, but finally he asked me what I wanted; what was the best I would do, and wanted to know whether his name would appear in the papers; and I told him it would depend altogether upon how he acted. To cut the story short, he finally agreed to give up the counterfeit plates, and guaranteed that I should have them within a short time. I met him by appointment I think, the next day, or the next few days, at the Astor House. Miner then told me to call at his house. I called there twice, I think. He put me over on the ground that he had to go to the races and he could not attend to it, &c., and finally, the last time that I was there, he said the thing was all right, and that he would make it better than I expected; that he would send the press and the papers and the ink, so as to make a good showing for me. I acknowledged that I would like that very well. He wanted to know how I wanted to receive them. I told him he might better send them by express; he thought it over a few minutes and he said he thought of a better way than that. Said he, "I will send you a check for a trunk within a day or two." With that understanding I left him. A few days afterward I received a check for a trunk with a note which said, "Go to Rutherford and get a trunk," and, I had "better send a man." That was the word, as near as I can recollect it. It was signed by nobody. I called Mr. Beatty and told him to take that check and get the trunk; and he was gone a few hours, I think, and came back and brought a trunk, and chucked it down with the remark, "I don't know what the hell is in this thing, but it is damned heavy." I opened the trunk and it contained the \$20 plates, the counterfeit for the Shoe and Leather Bank; the center was obliterated, as they always do if they want to change it from bank to bank; they can put it on any bank they like—and a small printing-press, ink, and paper, just as Mr. Miner had agreed. A few days afterward, probably the next day, I was down town with Mr. Beatty, and in passing up, when we were walking up Broadway and got right in front of the Shoe and Leather Bank, Mr. Beatty asked me to come in there. I stepped in with him, and he commenced talking about the plates that they had recovered, &c., and intimated directly that he had ought to have some reward. Of course, I didn't like to say anything particularly, as I knew Mr. Beatty knew who this trunk came from, and I didn't want Mr. Miner's name to get out, as I thought it would be bad faith on my part. Mr. Beatty had been up with me once when I went to see Mr. Miner.

Q. Was Miner under sentence for counterfeiting?—A. No, sir. You understand, we had no legal proof.

Q. You say he had been arrested by you?—A. No, sir; not at that time; he had been in the State prison at Ohio for the same offense; he has been a counterfeiter all his life, and I can show it.

By Mr. CASSERLY:

Q. Were you in Ohio at that time?—A. No, sir; but I have got the proof of it. It has been put before the court in such a shape that I have no doubt of it; and we have evidence besides that.

Q. You knew nothing about it personally?—A. No, sir; it was fifteen years ago. I have got a certified copy of his indictment.

Q. It is well enough to have it understood as you go along what you state of your own knowledge, and what you state from information derived from some other source, because you are dealing with men's names pretty freely.—A. I know whose names I am dealing with. I am responsible. I have got abundance of proof to show.

Q. You, of course, will agree with me that the limitation is a proper one?—A. Yes, sir.

By Mr. PRATT:

Q. Beatty, in his testimony, says that you approached him and told him that you and he could make something out of that plate; that he inquired how, and you, in response, stated that you were going to the Shoe and Leather Bank and represent that you had a good deal of trouble in getting the plate, and that the probability was that they would make a present of a thousand dollars, and that you and he could divide that sum?—A. I never had any such conversation.

Q. Was there any such statement as that, or what are the facts?—A. No, sir; that is entirely false. Mr. Beatty broached that subject to me, to step into the bank first. I never thought of the thing, and I didn't know what his purpose was, but being right in front of the bank, and the fact we had the plate, I thought I would step in and see the purpose. I had no object of making any collection from them, as, if you will call the cashier here, he will tell you. I told him, when the reward came up, that I didn't receive rewards, and Mr. Beatty thought he ought to have some. I told him that I had no particular objection; that he was a very good man; and that he had spent some time in the matter. Mr. Beatty is the man who first gave us information or aided us in catching Bill Gurney; he was instrumental in a great degree in catching those plates. That is the whole truth. I had had hold of Bill Gurney before; that is a matter which I could explain to the entire satisfaction. I did say in that bank that I didn't know as I had any objection to Mr. Beatty's getting a reward. I didn't urge it. On the contrary, I told him that I didn't receive any reward.

Q. Did you make any representation to the officers of the bank of the time Mr. Beatty had been employed from first to last in recovering this counterfeit plate?—A. Not to my recollection. I presume the bank men would remember that, and I would be very glad to have the cashier subpoenaed here. I didn't hear his testimony before the court, but I understand it was just corroborative of mine.

Q. Did you ever name any sum that should be given as a reward?—A. No, sir. The cashier told me that there was not so much counterfeit money as there was before, and I told Mr. Beatty that he had better not receive any reward, as the bank people thought a great deal of us now, and I advised him not to go there, and he said he would not; but I found afterward that he had gone there and got \$100.

Q. What understanding was there between you and him at any time that whatever was received from the bank should be divided between you and him?—A. There was none.

Q. Do I understand you to say that it was his suggestion, and not yours, that you went into the bank at all?—A. Yes, sir; he just spoke to me, and put his hand on me right there, and wanted me to come in, and I did it to oblige him. I didn't understand his real object, but it seems that he wanted me to certify to the fact that he had had something to do with the recovery of the plates, and I did so certify in the manner in which I have stated.

Q. Mr. Beatty refers to some cases where you operated upon the fears of men, and likewise made false statements to them to induce them to make settlement, in cases where you seized goods. He mentions one particular instance in the case of smuggled goods found on Second avenue; he says that "we went to seize the goods, and I (that is, Beatty) went to seize the store; the man was a Freemason, and there was a deputy chief in the office who was a Mason, and he induced the man to settle by stating to him that the store was liable; which was false, for I seized the goods at his residence; he was crazy to raise the money, on account of those threats, and he finally paid \$500, of which I got my third as moiety, and Colonel Whiteley and his deputy got their thirds." Do you remember that case?—A. No, sir; I have no special knowledge of it. I have not the honor to be a Mason, and I don't know of such settlement at all. It may be there was such a case.

Q. He says there were fifteen thousand cigarettes and one thousand cigars?—A. I presume Mr. Nettleship could explain the case; I cannot.

Q. He states that those cigarettes and cigars were taken to the office and went with the rest—that is, were smoked up.—A. If they came to that office, I am satisfied that they were turned over to the proper parties.

Q. Beatty says that after his discharge—after the little muss that had occurred between you and him——?—A. I never had any muss.

Q. And after he had accused you of taking the wines, of which he was not guilty, that he could have gone to work the next day but for his being a little spunky. Was that the case, or was the dismissal in earnest and for good?—A. No, sir; it was in earnest, and if he will show his order it will show it. It was a written order dismissing him from my work. I never had any personal difficulty with Mr. Beatty in my life, nor words. A short time after I heard of him at different times. He was arrested a short time after he left my force; he was arrested for blackmailing a man

and taken before Commissioner Davenport. I don't know what the result was—whether he was held to await the action of the grand jury or not.

By Mr. CASSERLY :

Q. Do you know that of your own information ?—A. I know Mr. Davenport told me so ; he is the commissioner.

Q. Haven't you stated that before ?—A. No, sir ; this was a case where he was arrested for blackmailing in this town.

By Mr. PRATT :

Q. Mr. Beatty, in testifying in relation to the cigars that were sent to Washington, says that he knows the fact, because he saw them packed up and directed by your clerk, and sent by express to the clerks in the Treasury Department in Washington, generally to Mr. Cunz, the chief clerk, who was a brother of the chief clerk in your office, in Bleecker street. What was the fact ?—A. I know of no such instance. I may have bought cigars outside and sent them ; I could not say ; but I don't understand how I could get any cigars that was seized without detection.

Q. Did you ever send any cigars to Mr. Cunz ?—A. Never ; I never gave him one cigar in my life.

Q. When asked as to the quantities that were sent to Washington, he replied, "From three to five hundred, of the very best quality that could be got." What did I understand you to say as to the quantity that you sent ?—A. I say that I don't understand how such things could be taken out of seized goods without its becoming apparent that the goods had been taken away. No such opportunity is afforded in my office that I am aware of, unless a man was so dishonest as to seize goods outside and bring them surreptitiously.

Q. Was there ever an instance of a seizure by you of smuggled goods where you failed to make a report to the collector of customs ?—A. No, sir ; no such instance ever occurred to my knowledge.

Q. Did that report uniformly describe the quantity seized ?—A. Yes, sir, and from whom.

Q. And the person from whom seized ?—A. Yes, sir.

Q. Have you accounted to the custom-house invariably for all the seizures reported by you ?—A. Yes, in all cases. I never was charged with such a thing by any other person except Mr. Beatty that I am aware of. He is the only man that ever intimated such a thing to my knowledge.

Q. I have been requested to question you in relation to a music-box that was seized by you about a year ago, and, as my informant claims, was given by you to a female clerk ?—A. I never gave such a thing away in my life to anybody.

Q. Did you ever make a seizure of a music-box ?—A. According to the best of my recollection, a music-box came in there once, which was returned to the man upon his representation that it was brought here for his cousin. That is my recollection of it. A man came over with the party to explain it, and he said—it was a trifle—I suppose it was worth two or three dollars, to the best of my recollection, and I thought I would not touch it. It was not seized that I am aware of.

By Mr. CASSERLY :

Q. What did the man say about it ?—A. He said that he brought it over for his cousin, I think. That is my recollection of it.

Q. Brought it from Europe ?—A. Yes ; I think it had been allowed to pass.

By Mr. PRATT :

Q. Was that the only music-box that had been seized ?—A. Yes. I thought it had been used, and I had no right to touch it, and I didn't touch it. It was not seized in reality. That statement is only equaled by many others which Mr. Beatty has made regarding me, which is entirely false.

Mr. CASSERLY. I don't think Mr. Beatty said that yesterday.

Mr. PRATT. No, sir. I didn't give the name of my informant. I simply stated to you that I had received information that there was something wrong about the seizure of the music-box, which had been given to a female clerk ; and I called your attention to the case to allow you to make such explanation as you saw fit.

WITNESS. I never seized one since I have been in the place. That is the only case that came into my office that I am aware of.

Q. Do you make any reports to the Secretary of the Treasury ?—A. I make my reports to the solicitor's office—a monthly report.

Q. To the Solicitor of the Treasury ?—A. Yes. My report embraces in brief the reports of the operatives of the different parts of the country. It is made up and forwarded to Washington once a month, and shows the entire working of the division.

Q. Have you any means of knowing how the operations of your division are regarded in the Treasury Department ?—A. I may testify that they are regarded very highly.

We have been very successful; we have almost broken up counterfeiting in this country, as almost every bank man will testify, if you put them upon the stand. I have arrested between twelve and thirteen hundred men, and seized about ninety false plates. I have received a great deal of opposition in New York. It is a very hard place to work; they will tear me down if they can.

By Mr. CASSERLY:

Q. Whom do you mean by "they?"—A. I mean the counterfeiters and their adherents and abettors.

Q. Who are they?—A. Mr. Beatty is one. He is with them, I am informed.

Q. Who else?—A. A great many.

Q. You don't include the judge and the jury in the Miner case?—A. O, no; not at all. I think privately the judge's opinion is wrong.

By Mr. BAYARD:

Q. Did I understand you to say that Mr. Beatty had been chiefly instrumental in arresting a man by the name of Gurney?—A. Yes; that is, the first time he was arrested. He was arrested once prior to the time that he was finally disposed of.

Q. It was through his efforts that you were enabled to get hold of him?—A. Yes; he was a good man for that business.

Q. Do you say that you were appointed in the month of May, 1869?—A. Yes, sir.

Q. You received your first commission?—A. Yes; as chief of the secret service. I was in the revenue service at the time I received that appointment.

Q. I understand you to say that a part of your operations and duties consisted in looking after the Ku-Klux?—A. Well, I have had that business in hand recently, to some extent.

Q. How long since you commenced operations in that way?—A. I have been looking up some cases down there for the past seven or eight months—since last July, I think.

Q. Had you ever had the subject under your consideration before that time?—A. Yes, sir; I worked up the case known as the Ashburn case, in Georgia.

Q. The killing of Ashburn, who had formerly been an overseer?—A. No, sir; he was a member of the State convention, I think—constitutional convention, I think.

Q. He had been an overseer prior to his becoming—prior to the abolition of slavery?—A. I think not. He was a radical.

Q. You say you worked that case up?—A. I did.

Q. Do you say here that he had not been an overseer?—A. No, sir; I think not. From what I have heard of the man, I think he wouldn't be engaged in that business.

Q. Having worked that case up, you say you have no knowledge of it?—A. No, sir. At the time he was killed—

Q. I didn't say at the time he was killed, because when he was killed slavery had been long dead.—A. I never heard of it before.

Q. You never traced anything about his antecedents at all?—A. No, sir. It was my business to catch his murderers. That was what I was sent there for.

Q. In whose employ were you?—A. In the employ of the Government. I was called for by General Grant. I am not certain whether General Grant, but I was called for by the Secretary of War.

Q. Was General Meade in command of that district at that time?—A. Yes.

Q. Did you operate under him?—A. Yes, sir.

Q. And you were connected with the arrests that followed the assassination?—A. They were arrested by the military authorities, and I had the manipulation of the evidence.

Q. You contributed to the trial of the persons here?—A. Yes, sir; I designated the persons to be arrested.

Q. You worked that case up?—A. Yes, sir.

Q. Now, after that, what interest did you take in cases in the Southern States of a political nature?—A. I never had anything to do with politics at all. I do just what I am told to do, according to the best of my ability.

Q. What other business of a like nature to the arrest of parties did you have after you worked the Ashburn case up?—A. I was constantly employed in the revenue service up to the time of my appointment as chief of the secret service. Since that time I have never done any political service for anybody, nor made any political appointment.

Q. You were sent down there to look up the Ku-Klux in last July?—A. Yes; I have sent men down there for that purpose.

Q. What State did you operate in?—A. North Carolina and Georgia; sometimes in Florida, Alabama, and various other places.

Q. How many men had you employed under you?—A. I think I have about eight altogether working down there—that is, eight on and off; probably they are not all continuously.

- Q. You say you had them in Georgia?—A. Yes, sir; I have some men in Georgia.
- Q. And in Florida?—A. Yes, sir; I have one man that has been in Florida, if not there now.
- Q. Under whose instructions did you make this investigation?—A. Under the instructions of the Attorney General.
- Q. Mr. Akerman?—A. Yes.
- Q. Was it from him you received your remuneration?—A. I didn't receive any. He trusted the business to me, as he thought I could select the proper men; and they reported to me, and I embodied those reports in my reports to him.
- Q. I understand you to say that you regulated the remuneration?—A. I paid that from the fund. That is an appropriation that is for that alone.
- Q. Is there a fund appropriated to enforce the law of June, 1871?—A. I understand it to be an appropriation for that purpose.
- Q. About how much was expended by you in your efforts?—A. I think I have expended up to the present time somewhere about—well, not far from \$10,000 out of the \$50,000.
- Q. To whom did you make reports?—A. To the Attorney General.
- Q. Did you make them in writing?—A. Yes; always.
- Q. How long were you engaged in that business?—A. We are still engaged in it. I instructed my men to report the facts without regard to anybody, and I still so report them.
- Q. And you are still busy in making reports of that nature?—A. Yes.
- Q. In regard to the States that you have mentioned?—A. Yes; in regard to crime. It is crimes committed against citizens.
- Q. Does it extend to all crimes committed down there, of every nature?—A. My letter of instructions says that I am to look after other crimes also, and includes that. We are to look after counterfeiting at the same time.
- Q. Your business is a general supervision of what you may call the police supervision of those States?—A. Yes, sir. Men are there to learn facts and report them, and they have learned a great many, and got a great deal of evidence, and taken people's affidavits; and I think there has been eleven hundred indictments procured, mostly in North Carolina.
- Q. Was that under the enforcement act?—A. Yes.
- Q. Do you confine your examination to offenses alone?—A. We take in fraud of all kinds; we would report it so that other men could be put upon it.
- Q. Every crime that you discovered you informed the Attorney General of it?—A. If it belonged to his department; but I informed him as to that particular crime.
- Q. Suppose you don't inform him, who do you make report to?—A. Then that report would be embodied in the regular report.
- Q. Suppose there are offenses of murder, and highway robbery, and arson?—A. That would be reported to the Attorney General. It is done by armed and disguised men, I think.

By Mr. PRATT:

- Q. Do you take cognizance of anything merely against State laws?—A. No, sir; my order is to act strictly in conformity with the law. I have the order in my pocket.
- Q. Let me see it. [Witness produces the order.]
- Mr. HOWE. I would suggest, Mr. Bayard, that you read those instructions yourself, before you ask to have them read.
- Mr. BAYARD. I observe that this is a letter marked confidential, and is a mere direction to you of a general character. If it is necessary hereafter, of course the Department will publish it.
- The WITNESS. I never received any instructions to look after any particular political clique, or anything of the kind, and I would not do it.
- Q. You had no suggestion of that kind?—A. I only wanted to say that. I never asked my men what their politics were. I merely wish to state that for myself. I would like to have that understood as a fact.
- Q. Did you, in the course of your investigations, communicate with the chairman of the congressional committee?—A. Yes; I did; some time last summer I saw him.
- Q. Or to any one else, about it?—A. I have not seen anybody, particularly, except the Attorney General and Mr. Scott.
- Q. Did you make any communications to the committee, or the sub-committee, that went to Georgia last fall, of which Mr. Maynard was chairman?—A. I don't think I did; I have no recollection of making any report except to the Attorney General, to my recollection.
- Q. Were any of your operatives or detectives before that sub-committee at Atlanta?—A. No, sir.
- Q. And examined?—A. No, sir; not at that time; they had not fairly got to work. When it went to Atlanta, do you mean?
- Q. Yes.—A. O, yes; they were at work then.

Q. You had them to work at that time in Georgia?—A. Yes, sir; I don't think they were before the committee at all.

Q. And you still occupy that field of action in the southern country?—A. Yes.

Q. How many men have you in all under your control?—A. I don't know. I could not tell you. You know sometimes my men employ perhaps an assistant. Regular appointees—I don't think I have over twenty in the regular business. I could not say without looking in my books; I could not say from recollection.

Q. Could you give us any approximate idea?—A. I say I don't think I have over twenty.

Q. In the United States?—A. I mean men that have charge of that business under me.

Q. I understand that you have appointed certain operatives whom you commissioned as you did Beatty, whose commission was read here?—A. Yes.

Q. And that under them are employed men who are known as informers?—A. Where men are assigned to a district they are, but not under especial operatives so much. The business is rather irregular, because there is no two cases alike in detecting. I have one man in Chicago, and it is his duty to find out anything he can.

Q. You cannot give us any idea of the number of informers you have under the control of your operatives?—A. I could not say how many there are; there are not a great many. There are very few. We cannot keep many in employ, because we have so little money, and we have to work with little means, and of course we cannot employ many men.

Q. But you have \$10,000 for this little matter that you speak of in the Southern States there?—A. They done a great deal of work, covering a period of months, and it was done very cheaply.

Q. And it is in your discretion, the amount that those deputies are to receive, both informers and operatives?—A. Yes, pretty much; not exactly. The solicitor and I have consulted the matter over.

Q. I understand that in the purview of your employment and appointments you take in all breaches and infractions of the United States laws?—A. Yes, sir; that is my understanding.

Q. Wherever you come across it, or whatever it may be, you report it?—A. Yes; we have quite a great many mail-robbers.

Q. Your chief object is to detect counterfeiters?—A. Yes.

Q. They give you the greatest amount of trouble?—A. Yes.

Q. Your commission dates the 31st of January, 1871, as inspector of customs?—A. Yes.

Q. Your appointment was the 12th of May, in the year 1869?—A. Yes.

Q. Did you and your subordinates make seizures and arrests before your appointment, and up to January, as you did subsequent to that time?—A. I may speak plain to you, so that you will understand me. We always arrest a counterfeiter without a warrant, provided we have got him fast, but we do that upon our own responsibility. We give him a collar.

Q. That is rather a slang term, is it not?—A. Yes, sir. We arrest him or take him into custody. I used that word because I didn't know but what you gentlemen had heard it a great many times. That we never do except where we are satisfied of the party. We have never made a mistake yet, or got the wrong man, since I have been in the business.

Q. I ask you in regard to the seizures of merchandise supposed to have been smuggled, and arrests for such offenses, did you make them from May, 1869, straight along?—A. I had an arrangement with the inspector to the custom-house to make these arrests, if we found goods on the street, and if it was a necessity we stopped them and waited for this man. Mr. Young it was.

Q. Did you always get him, in every case?—A. Not always; we could not always get him, and that is the reason why I wanted to get appointed.

Q. In his absence you made the arrest or seizure without legal authority?—A. We generally had a warrant for the man. This crime of smuggling is a misdemeanor.

Q. Where did you get the warrant; did you get the warrant after he arrived at the commissioner's office, or before?—A. Well, we have done such things as to do it after we got there, in cases of necessity.

Q. Was that the current system, to pick them up and take them there and get the warrant?—A. Not always; we have usually had the warrant.

Q. After you were made an inspector yourself, that would enable you personally to make seizures?—A. Yes; anybody acting under my direction or my control.

Q. Didn't your deputies, after you received that, make arrest wherever they thought it ought to be made, in your absence?—A. Yes; they have stopped men, where they have found men in the street; they always have a plain case when they do that.

Q. Were you not called upon to travel a great deal, and to go over the county to various points?—A. We travel a great deal.

Q. Since 1869?—A. Not so much since I have been chief.

- Q. Have you been to California?—A. Yes.
- Q. How long were you gone?—A. Six weeks.
- Q. Have you been in the southern county?—A. Not since my appointment.
- Q. Have you been a good deal in Washington?—A. No, sir; there is very little to do in my line there, and I seldom go there.
- Q. Where is your chief place of operations?—A. Here in New York.
- Q. How much are you in your office?—A. I should judge I average about fifteen hours a day in my office. I average fifteen hours per diem in the office; we work night and day whenever we can find anything to do.
- Q. I am speaking of your personal presence there?—A. I think I—up to recently my health has not been good—I have not been there, except in the day-time, as a usual thing; but I go there at 8 o'clock in the morning, and we stay there, or have, until about 10 o'clock at night, except I go out to do some work.
- Q. I am not speaking of your labor, which I have no doubt is very assiduous, but I am speaking of the time that you are personally present in your office during the day?—A. I am there a great portion of the time, except I would be on a case or something of that kind. A greater portion of the time. I have a great deal to do, and it requires constant attention.
- Q. You think your time has averaged fifteen hours of the day?—A. I think so.
- Q. How many hours have you been there in the twenty-four in one day?—A. I have frequently been there all day and all night.
- Q. In the spring of 1871 you began to distrust Mr. Beatty?—A. I heard some things that I, of course, didn't feel perfectly certain of.
- Q. That was the first time you ever heard anything against him of any account?—A. I cannot say when I first heard it; it was perhaps two or three months that I got a little inkling, but I didn't trace it.
- Q. Had his conduct been unimpeachable up to this time that you discovered his wine business?—A. So far as work on my force was concerned, I had never known anything against Mr. Beatty up to this time. He had been a very good man indeed.
- Q. You say as far as your work on your corps was concerned; had you looked after his morals and character before that time?—A. Yes. I have heard him abuse his family in the most outrageous manner, and it struck me that it could not come from any but a bad man.
- Q. What is it during the period that you had the high estimate for him?—A. That was the latter part.
- Q. I understood you to say here that you had no feeling whatever against Mr. Beatty himself?—A. No; I have not any ill-feeling toward him.
- Q. None whatever?—A. No, sir; I think he has done very wrong. I don't owe him any grudge of any kind. What I mean to say is that I seek no revenge on the man.
- Q. Would not injure him?—A. No, sir.
- Q. Or hurt him at all?—A. No, sir.
- Q. I suppose these little facts about his committing murder were mentioned in a spirit of kindness?—A. No, sir; I wanted to mention what kind of a man had been before you. I thought it was my duty to tell you, and in duty to myself.
- Q. You mentioned that in a spirit of justice and not in a spirit of anger?—A. No, sir.
- Q. Rather mourning the fact?—A. I offered it in justice to myself.
- Q. And as a mere outpouring of your sense of justice?—A. Yes; I wanted you to understand it.
- Q. I observe that the certificate which you gave Mr. Beatty when you raised his pay was that it was—up to almost the last day of the year 1870, and a very short time previous to your finding fault with him—was that, in consideration of the faithful performance of his duties, you had increased his salary, and you signed yourself, very respectfully, his obedient servant; that was your sentiment toward him up to that time?—A. If I wrote it so, it was my sentiment.
- Q. I believe it is done by your direction—"from the chief of the division"—that is yourself?—A. I don't remember it. I didn't give any special direction that I remember of; but it is usual for us when we do raise a man to say something of that kind; and I say now, and repeat it, that Mr. Beatty did some very good work on my force, and I want to give him credit for it.
- Q. Your information went to the Department at Washington about Mr. Beatty, and you recommended him, because, as the letter states here, it says, "The chief of the division directs me"—A. If I should say to my clerk to send such a man a commission, I would very likely send that man such a letter. I certainly should not raise a man's pay and give him his commission, unless I thought he was a very good man.
- Q. That was your opinion at the time?—A. It was when I gave him that commission.
- Q. Did you say that the Radcliff diamonds, or that portion of them which were depos-

ited with Mr. Pike—that you got them out upon the payment of the sum he had advanced upon them?—A. Yes, and the interest.

Q. He was a pawnbroker?—A. Yes; or broker of some kind.

Q. The goods were deposited in pawn?—A. I think he was a regular broker.

Q. A regular pawnbroker?—A. I should not say as to that point.

Q. Were not the goods pawned there for money?—A. Yes.

Q. Are those gentlemen who follow that business of pawnbroking apt to advance a very large portion of the value of the articles?—A. If it had been a *bona-fide* transaction, I should think that he advanced a very fair amount on them. I should think that was a fair price for them.

Q. I ask whether the people who carry on the business of pawnbroking do not always protect themselves by a very large margin of value?—A. I suppose it depends upon their judgment on the goods. They intend to do so; yes.

Q. Do you not know that notoriously they make a very small advance upon value?—A. As a general thing, as I understand it, they would make, perhaps, within 10 per cent. of their value for diamonds.

Q. You have been a detective for many years, and have made this your special business; when I ask the question whether pawnbrokers do not always secure themselves by a large margin of value, what is your answer?—A. This gentleman is not a pawnbroker, regularly; I think he is one of that class of men that would advance at least within 10 per cent. of their value.

Q. Then he is an irregular pawnbroker?—A. He would make loans on a different class of goods from these.

Q. To anybody that came along?—A. Yes.

Q. Was this man Radcliffe a stranger?—A. His office was within four or five doors; he must have known, perhaps, something of him.

Q. Do you mean to say that the person who pawned the diamonds was not a stranger?—A. I think that Mr. Radcliffe had pawned diamonds there before. I think Mr. Pike told me so.

Q. You took them upon what the pawnbroker advanced upon them?—A. Yes, and the interest.

Q. And you sold them at that rate, or distributed them among your officers, or let them take them?—A. Just the same as I gave for them.

Q. You made no profit?—A. None whatever.

Q. You don't know what the diamonds were really worth, do you?—A. I ain't the best judge in the world, but from my opinion of them they were worth about what I took them out for.

Q. Were you aware that a portion of them had been estimated at about double the value of the cost they were distributed at?—A. No, sir; I don't know that fact. There were fifty-one very small stones, and Mr. Radcliffe, at any rate, could afford to sell them for that, for he told me so.

By Mr. CASSERLY:

Q. You took his word for that, did you?—A. He would have been likely to redeem them if there was any profit in them.

By Mr. BAYARD:

Q. I understand you to say that this act which you allege against Beatty, of his being concerned in taking some wine, is the only dishonest act that ever occurred on your force?—A. No, sir; not that I knew at that time. I found out since that he blackmailed a man who is here this morning, and also a man by the name of Nolan. So they inform me. I told you of that.

Q. But as to these other acts that you brought against him, are they the only ones that you ever discovered of dishonesty while on your force?—A. I have another case. I didn't tell it.

Q. Still of Mr. Beatty?—A. Yes, sir; so the man says, and I have evidence of it.

Q. He is the only individual who has ever been on your force who has acted dishonestly to any extent?—A. That is, that I would discharge them for, to my knowledge. I didn't say they have not.

Q. Did you ever make, personally, any settlement in the United States attorney's office?—A. I have nothing to do with the settlements.

Q. Were you ever personally present at a settlement at which you received the informer's share?—A. No, sir; I received nothing from there for information.

Q. About these settlements before the commissioner; explain how they occurred and the method of making them, and all.—A. I will endeavor to do so to the best of my ability. A man arrested and brought before the commissioner on a charge of violating the internal-revenue law; in order to evade trial, offers to pay a fine. He is permitted to do so. That fine is, after a consultation between the representative of the United States, or the representative of the United States attorney's office, accepted, and the man is allowed to depart in peace, on paying.

Q. Take the case of a man who has smuggled?—A. Those cases mostly come. I have indicted all the larger cases, I think. I have a great many indictments, and the parties are now out on bail.

Q. Is the settlement indicated by the commissioner?—No, sir; I think they are mostly fixed in the custom-house.

Q. I mean before the commissioner.—A. I never had a case—a custom-house case—to settle. I had one man for smuggling laces, and I indicted him, and he went in and pleaded guilty, and Judge Benedict sentenced him to pay a fine of \$500; and he didn't send him to States prison.

Q. Take the case of those parties who were arrested and taken before the commissioner; you say you yourself have never had a settlement there?—A. No, sir.

Q. What do you know about your subordinates in your district?—A. I think there has been quite a number settled that way.

Q. Are you informed by your subordinates that it is the constant practice for them to arrest a man, and take him up to the commissioner's or district attorney's office, and have a settlement made, so that if he is arrested about 2 o'clock he will be discharged at half past 3, and they leave with the money—with the profits in their pocket?—A. That has been done on my force.

Q. Don't you think it is quite customary?—A. I believe it is quite a custom.

Q. Is not that a fact before the commissioner, and sometimes at the district attorney's office?—A. No, sir; I don't understand that they take place without going before the commissioner.

Q. Do you know of cases—I mean by credible information from your subordinates—in which a man would be arrested for some attempted or actual fraud upon the revenue, and he would be taken right up to the district attorney's office, without any intervention of the commissioner at all, and there an amount of money fixed upon, and your officer or the informer will walk away with his share in his pocket?—A. I have known of none.

Q. Have you any doubt of it?—A. Yes, I have. I think Judge Davis would not be concerned in any such thing; he is too good a lawyer. I tell you what I might say, that a man arrested and taken down there for a violation of the internal-revenue law, after perhaps *feeling* the district attorney and telling his story, that he was very anxious to get out of it by paying a fine, and the assistant district attorney recommends it—the case would, then, in my opinion, be taken before the commissioner.

Q. What, then, would be done before the commissioner?—A. The complaint, if not already entered—an affidavit would be made, charging the man with a certain fraud; and I have known cases where a man has been charged with a little fraud in order to enable them to pay the fine. That was done by the consent of the court.

Q. By the court; you mean the commissioner?—A. Yes, the commissioner; and the district attorney; and carried into court. I don't know that he talked so right before the judge. I have never known that in my district, but I have known it in other districts.

Q. Your information is that men are arrested, and, without any intervention of the commissioner or otherwise, have gone to the district attorney's office, and have settled?—A. I don't know of any such case; there may have been, but I don't know of it.

Q. How often did you, personally, make arrests?—A. During the year 1869 I made a great many arrests.

Q. Take 1870 and 1871.—A. Not a great many personally, though I was on the ground usually in big arrests—in making arrests of big counterfeiters. I never go for these revenue cases. They are picked up incidentally, and I would be on hand to see that the programme was properly carried out in big cases.

Q. Are not those arrests sometimes very tedious?—A. Yes, very; we have been out nearly all night in some cases, and then we have failed.

Q. And sometimes don't your nights spin into weeks before you get arrests made?—A. Yes; we have been disappointed right along sometimes in getting a particular party or a thing that we expected to come off, and didn't go off.

Q. Would you be generally about on these occasions?—A. Not always; I would be about sometimes and sometimes not.

Q. Were you generally so?—A. For the first year I was; since then I have got the business in charge, so that I don't have to go so much.

Q. Are not the great multitude of arrests made by your subordinates, and not by yourself?—A. Yes, sir.

Q. Are not the great majority of the seizures made by your subordinates—and the smuggling?—A. There is not so much going on as there used to be.

Q. Whether many or few, there would be still enough to make a majority or minority of the cases, and I would like you to say whether the majority of the arrests of these frauds upon the revenue are not made by your subordinates?—A. I presume they are.

Q. Do you know anything more about the circumstances of them than they choose to tell you?—A. I generally take the word of my men.

Q. You speak of bail-bonds in this city being generally worthless?—A. Yes; that is my opinion.

Q. Did I understand you correctly that you knew but one instance where the party had appeared?—A. I do know of but one instance where the party had appeared.

Q. Is that the sole instance?—A. That is the only instance that I know of where the party had been put on trial.

Q. Who fixed the bail?—A. It is usually fixed by the commissioner.

Q. Why are these bonds worthless; does the commissioner fail to see that substantial men become bound?—A. No; I think that the law requires that if a man offers to give bond that it is necessary for the men to go there and verify on oath as to the amount of their property, and they bring men up there to personate other men. This has been done in many instances. I have often stopped it.

Q. Is there not notice to the district attorney of the offer to bail a man?—A. Yes, and yet it is worthless, in a manner, when they examine it; it is never sued upon. I dare say you will find down in that district attorney's office hundreds of bail-bonds that have not been sued upon.

Q. How do you account for that?—A. The court is all lumbered up; they cannot try a felony down here; it is no particular fault of the district attorney. There ought to be a regular criminal court in session in New York.

Q. The bail-bonds are generally worthless, and you know of but one instance where the party so bound appeared in the performance of the conditions of his bond?—A. I have seen men in court that were under bail, and their cases have never been under trial. There is the case of Howard, a notorious counterfeiter; that is to say, the case is a notorious case—a very extreme case; and we have never been able to get on trial. I have brought witnesses from the West several times, and the district attorney has never been able to get it to trial.

Q. You have known of no cases, where the parties have made default, that a suit has been brought against the bail-bond?—A. I have known of no such cases.

Q. You have never heard of a suit on a bail-bond here in New York?—A. No, sir; not that I know of; I know they are not collected. We have put one man in the penitentiary in New York and another is under indictment who we will probably convict; but here there is no possibility of trying a smuggler.

Q. Why not?—A. I think it is because there is no proper court facilities. That is one reason, and then there is a great deal of opposition to it that we meet with; I never could get one. There is the case of Sullivan & May, two very extensive smugglers, that I arrested for sending packages that were false to the appraiser's office, and they are both out on bail, and haven't ever been brought up on trial, and I think they have both absconded.

Adjourned, at 4 o'clock, until 7.30 p. m.

FIFTH AVENUE HOTEL, NEW YORK,
February 7, 1872—7.30 p. m.

Colonel HIRAM C. WHITELEY, recalled, examined.

By Mr. CASSERLY:

The WITNESS. I would like to ask permission to correct my testimony. I have stated that the seizure made of the wine was—instead of six hundred bottles, about three hundred bottles—something less than three hundred bottles of wine.

Question. That is quite a difference?—Answer. Yes; it was a mistake on my part.

Q. I think three hundred was the number stated by Mr. Beatty yesterday?—A. My memory has been refreshed on that point; I am satisfied I was wrong.

Q. By whom?—A. By my men; I am satisfied from what they say that I made a mistake—unintentionally.

Q. I think his statement was yesterday two hundred and ninety to three hundred bottles?—A. Yes; that is a correct statement.

Q. What was the date of your first appointment as chief of the detective service?—A. I think it was the 12th day of May, 1869.

Q. You became an inspector on the 31st day of January, 1871, for the first time?—A. Yes, sir.

Q. That was a year and nine months afterward, about, was it not?—A. Yes, about.

Q. You were in the habit of making seizures and arrests during that period of a year and nine months?—A. Making arrests and causing seizures to be made in the manner of which I spoke. I don't understand that the inspectorship affected the power of making the arrests at all. That was a right under common law—an arrest for felony—as I understand it.

Q. But you considered until you were appointed inspector you had no legal right to

make seizures of property?—A. It would depend upon the circumstances, I think, so far as my judgment goes.

Q. Did you not state that you procured your appointment as inspector in order to be able to make seizures?—A. Yes, sir; to give me more authority to enter the premises whenever necessary.

Q. That must have been because you thought you hadn't authority without that?—A. Not sufficient authority; yes.

Q. How many seizures did you make in the twenty-one months before you were inspector of customs?—A. I would be unable to state that.

Q. Quite a considerable number, I presume?—A. We caused quite a considerable number to be made, and I have no doubt we detained quite a large number of cigars, and perhaps some liquor, previous to that time.

Q. You retained or detained?—A. Detained, I said.

Q. You mean you seized and held them?—A. Where we found them in the process of being removed from the ship.

Q. You seized and held them?—A. Yes; we held on to them.

Q. For whatever length of time was necessary to enable you to have them taken in charge by an inspector?—A. Yes.

Q. In making arrests by a common-law right, as you say, during the same twenty-one months, did you usually have a warrant?—A. Usually, where it was possible to obtain a warrant beforehand. In counterfeit cases, it is not always possible to get a warrant beforehand, unless we get it before the offense is committed.

Q. Usually, when it was possible to get a warrant beforehand, means very seldom, does not it?—A. Whenever it was possible to do so, we got a warrant before.

Q. That was quite seldom, was it not?—A. I think not; I think that we had warrants most of the time; I know in a great many instances we had not.

Q. And in still a greater number of instances the warrant was not issued until after you made the arrest and took the party before the magistrate?—A. I could not state the exact number either way; I know we have done both; we have arrested without warrant, and with warrant.

Q. When the warrant was put into your hands, or into the hands of one of your men to execute, were you deputized?—A. Yes, by the marshal.

Q. On the back of the warrant?—A. In most cases; there might have been some instances where they were not deputized. The commissioner said, "Go ahead and serve the warrant."

Q. You took your chance?—A. Yes.

Q. Then you took the risk of your authority and went ahead?—A. Yes, sir; it is no great risk while people are guilty.

Q. That is your opinion?—A. That is my opinion.

Q. Do you think there is any use in having warrants at all, or officers to execute them?—A. Warrants are of very little use in arresting a gang of counterfeiters; we have to take them by force; they don't respect the law.

Q. Do you think there is any respect for the law in arresting ever a law-breaker contrary to law?—A. I don't consider it contrary to law to take them into custody.

Q. Without having seen the crime committed?—A. We are very careful about that.

Q. Or without authority to take the warrant?—A. We are always certain we are right before we go ahead, and we have never had a single instance where an arrest has come back or caused us any trouble.

Q. That has nothing in the world to do with my question; my question is whether in every case where you arrest you see the crime committed—where you arrest without a warrant?—A. We either see the crime committed or else it was morally and legally certain to our minds that it had been committed.

Q. How many times did you see the crime committed where you arrested without a warrant?—A. Would you allow me to explain the manner in which we proceed?

Q. I would rather you would answer just that specific point.—A. I could not say as to that.

Q. Did it happen often?—A. What is similar to that, in one sense of the word, I might say that we didn't see it, and in another case that we did.

Q. If you can explain how you did and did not see it at the same time, I will be glad to hear you.—A. I will do so. We have a system of using a counterfeiter often to catch another. For instance, we catch a man with a quantity of counterfeit money on his person, and I question him as to where he received it. He makes a clean breast of it, and says that he got it from, for instance, Mr. Smith. He says he has been in the habit of buying counterfeit money of him for a long time; and it is my desire to reach, as near as possible, the fountain-head, and break up the business; therefore, I make an arrangement with him to make what you call "a deal;" that is, to purchase counterfeit money of the man from whom he has been in the habit of purchasing it, and he meets his former acquaintance, the person from whom he has been in the habit of purchasing, and makes an arrangement with him to buy at such a time and place a certain quantity of counterfeit money. This man is usually under our surveillance at

that time, and sometimes we let him go a considerable distance off, but he could not escape us; and after making that arrangement he goes to the designated spot to meet the party with the counterfeit money in his possession, as he alleges. We search him before he goes there, so that the other party would not be able to say that he carried the counterfeit money there, and he goes forward, and we stand off at a distance, with the understanding that, perhaps, he is to give some signal—it may be to drop his handkerchief if the man has got the money on him, and if he does so, we step up and arrest him and the money right on him. I suppose nine arrests out of ten are made that way.

Q. Where you arrest the party with the counterfeit money on his person?—A. Yes. If we knew an offense had been committed we would always take out a warrant, unless we should happen to run across a notorious counterfeiter; if we had proof, I should not consider it out of my duty to arrest him on a general charge.

Q. On general suspicion?—A. No, sir; I never arrest unless I have pretty good evidence—enough to warrant me in making the arrest.

Q. Do you mean to say that you never arrested a counterfeiter, except where you had ocular proof of his crime?—A. O, yes; when we have abundant proof that the evidence is sufficient in our opinion to convict him. I said if I should suddenly meet a man of that kind, although I had no warrant, and I was satisfied he ought to be arrested, and could be convicted, I should consider it my duty to arrest him; I should arrest him.

Q. Is not that an arrest on strong suspicion?—A. It is an arrest on what we consider good evidence to convict.

Q. That is an arrest, then, upon your idea of what is good evidence?—A. Yes, sir.

Q. Not upon actual sight of a crime committed at all?—A. We understand we have a right to arrest under those circumstances. I so understand the law.

Q. I suppose you think you have a right. I don't accuse you of acting with the full belief that you are violating the law in every instance, but I want to get at the fact whether you arrest people without seeing the crime committed or having the authority or warrant which you are by law allowed to serve; and I understand you to say that in many cases you arrest persons upon what you regard sufficient evidence of their crime without yourself seeing the crime committed or having a warrant; is that correct?—A. I think there are such cases, although they are rare, I think.

Q. Are they not quite as frequent now as any other class in which you make arrests?—A. No, sir.

Q. In regard to counterfeiters, for instance?—A. No, sir; we usually get them by the way I intimate.

Q. By the man going between them?—A. Yes, by the confederate. They are very cautious men, and they deal with nobody unless he has been to State's prison, or something that they have got confidence in him.

Q. So that, as that is the criminal's measure of confidence, you use the same measure because you select the same persons?—A. We have to take such men as we find in the same business.

Q. You do employ the same persons?—A. We do not employ them; we use them as a bait.

Q. Do you urge them on?—A. I use them. I don't urge them to do it.

Q. What distinction do you draw between using and employing a man?—A. I suppose you meant when you said that they were employed regularly by the Government.

Q. You could not think anything of the kind?—A. We use or employ them in that way.

Q. I hope this Government, whatever else is said about it, does not make a practice of employing persons out of State's prison on the ground of its superior confidence in them?—A. No, sir; we don't employ them; that is the very thing I am trying to inform you of.

Q. I am sorry for the ill success you have had.—A. It is one of the most difficult cases in the world to catch a counterfeiter.

Q. In order to end that point, I am willing to concede that fact fully—even with the help of these confidence men that you have spoken of out of State's prison.—A. They are their own confederates; we cannot be responsible for them.

Q. In regard to seizure of the smuggled articles, even upon the proof of the supposed smuggling, what was your habit until you were appointed inspector, at the end of the twenty-one months' service? Did you in that case arrest without a warrant upon suspicion?—A. No, sir; not upon suspicion.

Q. Upon what did you seize in the great number of instances—upon suspicion?—A. No, sir; cigars without stamps. We never seized any goods that we were not positive of.

Q. Had you any authority of law for seizing articles that you found without the stamps?—A. Yes, as we understand it. I have an authority of that kind.

Q. You say you got no pay as inspector?—A. No, sir; not a dollar.

Q. And that was in virtue of the distinct understanding between you and the Secretary of the Treasury?—A. Yes; he told me that I would probably be appointed, but without pay.

Q. When you seized smuggled goods, upon what proof was it—before you were appointed an inspector?—A. Seized because they lacked stamps; that they were seen to be coming from the vessel.

Q. They were seen coming from the vessel?—A. Yes.

Q. Is that true that you had that proof in every case?—A. I don't know of any instance where the case was not positive. If we caught a man with a quantity of cigars—we didn't know whether they were internal revenue or customs frauds—and if they had no stamps we seized them.

Q. None of your men were ever inspectors?—A. Yes, sir.

Q. Which one?—A. Mr. Nettleship has held the appointment; I am not certain whether he holds it now or not. I don't know whether he was appointed for sixty days—whether his appointment has run out yet.

Q. It is very likely that it run out, if he has been with you so many months as he has described.

A. He has been with me ever since I have been in the business.

Q. Then, of course, his sixty days' appointment as an inspector could not extend over the whole time?—A. There is no certainty this was so in his case, but it is my impression that he has it renewed every sixty days.

Q. Is any other of your men an inspector?—A. Mr. Ankeezy is an inspector.

Q. How many more?—A. No others that I am aware of.

Q. But they all make seizures and arrests just the same, don't they; is there any distinction?—A. Yes; we are very careful.

Q. What is the distinction; that is a mere generality for you to say that?—A. There would be only one cause for making the seizure, and that would be where we caught them in flagrant violation of the law. I set my men to seize the cigars in that case.

Q. Do you understand my question?—A. You asked me if there was any distinction.

Q. What is the distinction as to making seizures and arrests between those of your men who are inspectors and those who are not?—A. The inspectors invariably go to do the work.

Q. Do you mean to say that no seizures or arrests are made by those who are not inspectors?—A. Except with the cases that are named—with my consent. We never do it otherwise.

Q. Don't you know that they do it quite often?—A. No, sir; I do not.

Q. Haven't you understood that to be the practice of your men?—A. No, sir; not in that way.

Q. I don't know what you mean by "not in that way."—A. Except in the manner in which I have explained. If we caught a very flagrant case where the goods were being removed, and had no stamps, I consider my men remiss in their duty if they don't take them into custody. If they were a quantity of cigars that had no stamps on, I should take them.

Q. I am speaking of smuggled goods.—A. I understand the law; any citizen has a right to seize when they see the goods.

Q. Then you do say that your men, who are not inspectors, are in the habit of seizing goods, in the condition that you describe, without a warrant?—A. Yes; they would do that; they would not enter premises, though, without a warrant, and seize.

Q. How long was Bently with you altogether?—A. According to the best of my recollection, he was with me somewhere about eleven or twelve months; I may be mistaken in regard to the time, but I think that is about the time; he was employed in the spring.

Q. I think his own evidence was that he was with you from eighteen to twenty or twenty-two months.—A. I think I employed him in the spring of 1870, if I am not mistaken; my books will show that fact.

Q. You have testified to a good many things about him quite precisely?—A. I don't testify in regard to that; I am not certain. I say that is my impression; you ask me a question, and I have a great many things on my mind, and I only answer according to the best of my belief; I don't remember dates. It may be possible he testified correctly. If I can see any of my papers I can inform you correctly; I am not certain.

Q. There was a letter read here in this committee, purporting to be from you, and lacking date; is that your handwriting? [Showing the paper.]—A. No, sir; it is not my handwriting, but it is by my direction. It is an exact copy of what I drew up and signed.

Q. Then it is your letter?—A. Yes, sir; it is my letter.

Q. In the commencement of your evidence, you took pains to notify us that you had no ill-feeling whatever against Beatty.—A. No personal ill-will against the man; no, sir; I have not.

Q. Is that what you wish us to understand of the state of your mind in regard to him?—A. Yes, I would not do the man any injury whatever; I have no ill-will toward him in any shape.

Q. In this letter of yours you speak of Mr. Beatty, when a witness before the committee yesterday, as being one, to use your own language, "who has grossly and maliciously perjured himself before your honorable committee, with the evident intention to injure me officially and personally, and cast odium upon the Government, my employer;" do you regard that kind of language, so vehement and bitter as it is, as evidence of a total absence of ill-will on your part toward Beatty?—A. I declare that I have no personal ill-will toward the man whatever; that statement is true, and I am able to prove it if I am allowed to prove it.

Q. You have also accused him, in your testimony, of having stolen a quantity of wine?—A. That is true.

Q. Also of the extremely odious crime of black-mailing people in order to extract money through their fears?—A. Yes, I have the witnesses ready to produce them.

Q. Also of having been indicted for murder upon Long Island, and having escaped with a verdict against him for assault and battery, and with having bribed two doctors to accomplish that result, by giving false evidence?—A. I have a certified copy of the record of the court.

Q. I am not quite through; beside several other specifications, you accuse him of being the only dishonest man you ever had in your force; also, in general terms, you accuse him of having sworn falsely in almost every particular, and being the very worst man that you knew?—A. Yes, sir.

Q. Now, are we to regard all those statements of yours, made in such language as you remember and as none of us can forget, evidence of your total absence of ill will toward Beatty?—A. I have no personal ill will toward the man; I can only state that over again. I had the desire to state the facts, in order that the gentlemen of this committee might be able to judge of the man, because he had made a statement here that, if taken for truth, would be damaging to my reputation, although I entertain no ill will toward him.

Q. It is justice to him to say that he used no word of abuse toward you?—A. He never had any occasion to.

Q. He made statements in evidence which, if true, did reflect very seriously upon your conduct; you accuse him of being a confederate of counterfeiters and other criminals against the United States, in a combined effort to crush you in this city?—A. Yes, sir.

Q. Is that another evidence of your absence of ill will toward him?—A. I don't understand that that should create any ill will toward him. I have no ill will toward any criminal. I consider Mr. Beatty a criminal. I feel very sorry toward them sometimes. I never punished any man with any ill feeling in my heart, in my life.

Q. You commenced your relations in this committee in regard to that witness in charging upon him gross and malicious perjury, with intent to injure you, officially and personally, and now you wind up by—what did you just now declare him?—A. I consider him a criminal.

Q. By declaring him, in your judgment, a criminal?—A. I do.

Q. Look at that paper, and there you will find a copy of a letter addressed to Mr. Beatty, from the chief clerk of the division of which you are officer in the Treasury Department; read it if you please.

[The witness read as follows:]

"SIR: The chief of the division directs me to inform you that, in consideration of the faithful performance of your duties during the past, he has increased your salary from \$4 to \$5 per day, to take effect January 1, 1871.

"Very respectfully,

"WILLIAM FERD. CUNZ,
"Audit Clerk, Secret-Service Division."

"A. C. BEATTY,
"Assistant Operator, Bleeker Street."

It is dated "Treasury Department."

Q. Who is the chief of division referred to in that letter?—A. Myself, I suppose; I know of no other.

Q. Is that letter true and accurate?—A. If I had transmitted that commission to Mr. Beatty at that time myself, I should have sent a letter similar to that.

Q. Then the letter is a true and accurate letter in all respects?—A. It reflects my sentiments at that time.

By Mr. PRATT:

Q. What is the date of that letter?—A. It is dated December 30, 1870.

By Mr. CASSERLY :

Q. Eighteen hundred and seventy-one, is it not?—A. No, sir; 1870.

Q. When did he leave your Bureau?—A. I discharged him in April, 1871, I am pretty certain; it was in the month of April; it was about that time, at any rate.

Q. He must have changed for the worst very much in the mean time, in the interval between the writing of that letter and his leaving your service?—A. I spoke at that time, so far as my knowledge extended, and I don't know whether the man really changed or not, or whether I was deceived in him at that time; I may have been deceived in him at that time, so far as my knowledge extended to him. He had been a very good man on my force, and I would have recommended him for any position at that time that he was capable of filling.

Q. He must have grown worse very rapidly; that letter was December 30, 1870?—A. He may have been just as bad all the time, and I have not known it.

Q. It is your business to judge of men?—A. Yes, sir.

Q. That has been your calling for a great many years of your life?—A. Yes, sir.

Q. He did his duty faithfully?—A. Yes, sir; and I am very free to say it.

Q. Otherwise, that letter would have been an untruth?—A. Yes, sir; he did his duty faithfully, so far as I had any knowledge at that time. I believed in him.

Q. What do you call the blackmail perpetrated by this man?—A. Going into a man's store and accusing him of fraud, and settling it for money, which he did in the case of Mr. Climer, as Mr. Climer informed me this morning, and is down as a witness.

Q. That is all you know about it?—A. I didn't see it; no, sir; I am prepared to show it.

Q. How much money do you understand he received?—A. Fifty dollars.

Q. When was that?—A. I don't know the exact date, but it was some time while on my force, as he said.

Q. Were you aware that Mr. Beatty's testimony was that he named Mr. Climer as one of the very persons whom he took before the commissioner, and afterwards in the district attorney's office, and settled with him there?—A. No, sir; I didn't see that.

Q. You didn't read his testimony?—A. I read some portions of it.

Q. You didn't read it all?—A. No, sir.

Q. And yet you have made a charge against him of malicious and willful perjury?—A. I read enough to satisfy me of that.

Q. You didn't read it all?—A. I read it in the Times, and I didn't see that, to my recollection; it may be there; still, I was not aware of it.

Mr. PRATT. I think he states that he received \$300 from Climer, of whom he speaks.

Mr. CASSERLY. No; he says there was a settlement made for \$300, of which he took his part and went away.

The WITNESS. The case will show that he received \$50 personally, besides that.

By Mr. CASSERLY :

Q. Do you know a single thing about it, except what Mr. Climer has told you?—A. No, sir; Mr. Climer told me so, and I am ready to put him on the stand.

Q. Are you in the habit of taking for gospel what people say who are caught in the breaches of revenue or customs laws?—A. No, sir; not always.

Q. Very seldom?—A. They *can* tell the truth.

Q. Are you in the habit of taking what they say as gospel?—A. Not always; but there has been, I think, no less than four charges of blackmailing against Beatty, by different parties.

Q. Have you ever found that an efficient officer was very likely to be misrepresented by those who felt his vigor?—A. Yes, sir.

Q. You stated to-day, very positively and explicitly, that six hundred bottles were seized, that ninety bottles were missing, and that some one, not yourself, found that Beatty had stolen them, but all but thirty bottles were returned; and that a portion of the stolen wine was found upon Beatty's premises. Now, what do you know about that, except from the information of others?—A. I know that Mr. Beatty admitted to me that he had stolen the wine and begged to be taken back.

Q. Who was present when he made that admission?—A. I cannot say as to that; he won't pretend to deny it to me; I could not say who was present. I have got abundance of proof that he stole the wine.

Q. You don't know anything more about it than from his admission?—A. The case occurred in the office.

Q. You were mistaken as to the quantity of wine?—A. Yes, as to the number.

Q. You made it twice as large as it was?—A. Yes, twice as large.

Q. In [other words, you didn't come within 100 per cent. of the truth?—A. I corrected my testimony voluntarily.

Q. So you did, but Mr. Beatty had already stated it correctly the day before.—A. I was not aware of that.

Q. So that it would not answer for you to allow such an error to remain in your evidence?—A. It was not corrected by Mr. Beatty's testimony.

The CHAIRMAN. Please just answer the inquiries more directly, and you will save a great deal of time.

Mr. CASSERLY. I had admonished the witness so often without any effect, I thought it was useless to attempt it again.

Q. Who first informed you of the theft or loss of that wine?—A. Mr. Nettleship.

Q. Are you quite sure?—A. That is my recollection.

Q. Was it not Beatty himself who informed you of it?—A. No, sir.

Q. Are you certain?—A. I am; I discharged Mr. Beatty as soon as I learned the facts, and then he came to me.

Q. Did he not first report to you the trouble about the wine?—A. No, sir; he did not.

Q. He brought it to the office?—A. Brought the wine to the office?

Q. Yes.—A. I think Mr. Beatty was one of the parties; there was three or four engaged in bringing it.

Q. There were three or four who came to the office with the wine?—A. Yes.

Q. In a wagon?—A. I didn't see the wine unloaded; I think it was in a wagon; it is my opinion that it was.

Q. Who carried the wine into the office from the wagon?—A. That I cannot tell you; I can produce the men, if allowed to do so.

Mr. PRATT. Will you pardon me a moment? I have the World's report of the testimony of Mr. Beatty before me, in relation to this wine, and I find that both of us were mistaken in relation to the quantity. His answer is: "There were about two hundred bottles of wine seized, and the men had four or five bottles apiece, barring myself. He accused me of taking the wine, but I was not guilty; I could have gone to work the next day, but was a little spunky," &c.

Mr. CASSERLY. I think that is a mistake; the statement, as I recollect it, is, three hundred bottles of wine, and Mr. Bayard thinks it was two hundred and ninety.

Q. Was the whole of the wine that was stolen stolen by Beatty?—A. According to the assertions of all the other men; it was principally found on his premises.

Q. Were the other men discharged at that time?—A. There was no other man whom I considered sufficiently guilty.

Q. Were the other men discharged at that time?—A. No, sir.

Q. Were they suspended?—A. Yes, pending the investigation.

Q. Were they suspended on account of their innocence?—A. I wanted to inquire into the facts; I was satisfied as to Mr. Beatty, because the wine was found in his possession.

Q. You discharged him without any investigation?—A. I had sufficient investigation to satisfy me; nobody pretended to deny it—that the wine had been found on his premises.

Q. You gave the others an investigation and you discharged him before the investigation?—A. I suspended them all, pending the investigation. I discharged him.

Q. We have a good deal of difficulty in getting a direct answer to a direct question. Did you discharge him first?—A. I cannot say; I discharged him.

Q. You cannot say whether you discharged him first or last?—A. No, sir; I cannot.

Q. How many were there, besides Beatty?—A. There was, it seems to me, two men that had three or four bottles apiece.

Q. How many in the wagon that came with the wine, besides Beatty?—A. Two others, I think, according to my impression; I don't remember any others.

Q. And they took how much apiece?—A. I think three or four bottles apiece.

Q. How many did he take?—A. They didn't take the wine; they got it from Mr. Beatty; Beatty gave it to them.

Q. How many did he take?—A. There was altogether gone, I think, in the neighborhood of ninety bottles. It was short one hundred. I don't want to be positive. It was not less than eighty or over ninety.

Q. Where were they taken?—A. The wine?

Q. Yes.—A. It was taken into his room, down stairs.

Q. In your office?—A. No, sir; not in my office.

Q. Go on and tell us where it was.—A. Taken on his premises. He rented the room down stairs (the basement) of me.

Q. In the same building with you?—A. Yes, sir.

Q. Are you sure there were ninety bottles taken by him?—A. Not less than eighty and over ninety. I didn't mean to say precisely ninety.

Q. And you say that stolen wine he carried into his own room, directly under your office?—A. Yes; it is under our office.

Q. What did you do with the other men, finally?—A. I set them to work, and they have been to work ever since.

Q. You restored them?—A. Yes, sir.

Q. And in what respect did you think they were any better than Beatty? He took

the wine and gave a part of it to them?—A. Yes; I considered them rather under Mr. Beatty's influence. They had been with me some time, and always proved themselves to be good men, and I forgave them, with the distinct understanding that they were to be very cautious in the future.

Q. But him you discharged finally?—A. Yes, sir.

Q. In regard to this diamond case; you and Justice had a controversy as to the informer's share, had you not?—A. Yes, sir.

Q. That was decided against you, after a full hearing, by the United States commissioner, Mr. Osborne?—A. It was decided against me by Judge Blatchford. I think he signed the decree, but afterward referred it.

Q. It was decided against you by him?—A. Yes.

Q. Afterward, you say, he reversed it?—A. Yes, sir.

Q. Did Beatty give testimony in that case?—A. I saw it in the newspapers. He did give testimony; yes.

Q. Against you?—A. Yes.

Q. How long was that after his discharge?—A. I was in California at the time; it was some time during the month of May; I don't remember; I think it was then that he gave that testimony there.

Q. What year?—A. In 1871; perhaps a month or six weeks after.

Q. Shortly after you discharged him?—A. Yes, sir.

Q. How did it happen, if those diamonds were smuggled, as you state, that Radcliffe was allowed to settle the matter by paying into the Treasury the duties upon the diamonds and their value, he retaining his property?—A. I don't know as I can say, particularly; they settle cases there, I suppose, very frequently.

Q. Was that a common case—to permit a smuggler to settle his case and get his property back by paying its value and the duties?—A. A great many cases are settled in that way.

Q. Who advised such a settlement as that; did you?—A. I may have assented to it; I don't remember of urging it, or anything of that kind; I may have said I thought that was the best way, under the circumstances.

Q. You may have said it?—A. Yes; I presume I did.

Q. Don't you know you did?—A. I cannot say, positively, that I did say that; but I am under the impression that I did.

Q. Will you say you did not?—A. No, sir; I think I did, on the contrary.

Q. That was rather a remarkable case in your experience, wasn't it?—A. Yes; it was a flagrant violation of the law; yes.

Q. It was finally settled in the manner I have described?—A. Mr. Radcliffe is indicted.

Q. The chairman very properly suggested to you a while ago that it would be a great deal better for the time of the committee if you would answer direct the questions that are put to you.—A. It was not finally settled.

Q. Was it settled in the way in which I have described, so far as the property was concerned?—A. Yes, so far as the property was concerned.

Q. Don't you know that that was not done without your assent?—A. I think I gave my assent to it.

Q. Are you not quite sure of it?—A. I presume I did; I am almost positive I did.

Q. Have you any doubt of it?—A. No, sir; I said so. I have no doubt of it.

Q. I have not either, and I have not had from the beginning; now, about your taking out of Pike's Radcliffe's diamonds that you found there: you stated in your evidence that you didn't want them; that you distributed them among your men according to previous agreement?—A. Yes.

Q. What did you pay to get them from the broker's hands?—A. I stated, according to the best of my recollection, it was \$236; it don't vary, in my opinion, but a very few dollars from it. I think that was the amount; I stated it from memory.

Q. Did you take a receipt from him?—A. There was no necessity, was there? I didn't take no receipt from him, not that I remember of; I didn't see any necessity of it.

Q. Where was Pike's shop; in Maiden lane?—A. It was in Broadway.

Q. Whereabouts?—A. I could not give the number, but it was pretty well down town; I guess Nos. 140 or 150, or somewhere along there; that is my impression.

Q. There were fifty-four of the diamonds?—A. My recollection is that there was not quite as many as that; I think it was fifty or fifty-one; that is my impression.

Q. You understood from Radcliffe that he had pawned them there?—A. Esmond gave me that information—that there was a package pawned there.

Q. And you found them there in Pike's possession?—A. Yes, when I paid him the money.

Q. Do you deny or affirm that the diamonds were worth more than the sum for which they were pawned?—A. They may have been worth a very little more or they may not have been worth quite as much; I cannot say what the exact worth of them was.

Q. Are you not a judge of diamonds?—A. Well, I know something about them; I am not a first-class judge. I would not pretend to act on my own judgment.

Q. You are a good deal of a judge of diamonds, are you not?—A. Not a particularly good judge; I know something of diamonds.

Q. Didn't you deal in them at some period of your life?—A. I at one time kept a broker's shop in Boston, and I received some diamonds there at different times, but not very extensively.

Q. On pledge?—A. Yes, a short time.

Q. To do that you had to know something of the value of them, hadn't you?—A. I know something of it, although I may give too much for a thing of that kind.

Q. Is that a fault that brokers often commit when they are taking goods on pledge, to give too much on them?—A. I think, as a usual thing, they don't give what a thing is worth.

Q. Isn't it quite usual for them to reserve a very considerable margin?—A. It depends, in my opinion, upon the class of brokers; some brokers give up to within a much smaller sum of their value. If they are good judges, they would come pretty close on diamonds.

Q. When you were asked the question to-day, by Mr. Bayard, you didn't seem to know what was the practice of brokers on that subject?—A. In New York?

Q. Yes.—A. Only what I have heard.

Q. Do you think a pawnbroker in New York differs much from a pawnbroker in Boston?—A. Very materially.

Q. In what respect?—A. In Boston it is a very different business from what it is in New York, as I understand the business here.

Q. Do they allow more or less margin in Boston than they do in New York?—A. In regard to the margin?

Q. Yes.—A. I think, as a general thing, that the brokers there run nearer what a thing is worth. I didn't understand Mr. Pike to be a pawnbroker, although he may have received goods on loan that way.

Q. Were you a pawnbroker in Boston yourself?—A. I was a short time.

Q. How long?—A. It is my impression about twelve months—ten or twelve months.

Q. Did you often find a case where you were willing to lend very near up to the value, if not quite the value, of property pledged to you?—A. I have given more than things were worth.

Q. Do you think that is a common weakness of people in that business?—A. No, sir, I do not.

Q. Do you mean to say that the diamonds were worth but a very little more than they were pledged for with Pike?—A. I don't know that they were worth a dollar more than they were pledged for. Mr. Pike could tell that, if he was called.

Q. I don't want Mr. Pike at present. I am trying to get out of you what you know.—A. I don't know what they were worth.

Q. Still you went there and advanced your money on them?—A. I took the chance.

Q. You don't know what they were worth, but you paid \$236 on the chance?—A. Yes; I didn't know what was in the package.

Q. You did not?—A. No, sir, not certainly; only what he told me.

Q. But, to use a common though somewhat coarse saying, you invested \$236 in a pig in a poke?—A. I was satisfied there was diamonds there, from what was said.

Q. You invested \$236 in a thing you didn't want?—A. Yes.

Q. Without any hope to make a profit yourself, because you didn't intend to keep them?—A. No, sir; I wanted to discover what was there.

Q. And to discover what was there you paid \$236 for a package of diamonds, without seeing them opened?—A. I did.

Q. You are a detective of several years' standing?—A. Yes.

Q. Is that all the explanation you have to give of that transaction?—A. No, sir; I have something more to say. Mr. Pike, I remember, told me that he had had another just about such a lot of diamonds; that he sold them for about \$25 advance. I thought there was no risk, at any rate, and I would take them, and I knew that they would be taken off my hands.

Q. Suppose they had turned out to be paste?—A. I should have had to have taken the loss and pocketed it.

Q. And that is the story now that you give of the transaction?—A. That is the fact.

Q. Mr. Radcliffe at that time, I suppose, was in considerable trouble about his own relations to the law, was he not?—A. Yes.

Q. Will you state why it was that you didn't seize those diamonds as well as you seized the rest, all being a part of one smuggled importation?—A. Yes; I considered, that inasmuch as the broker had loaned his money on them in good faith, that they ought not to be seized, if it was a transaction in good faith.

Q. You have seized smuggled goods wherever you found them, even after sale, have you not?—A. In the hands of an innocent party?

Q. In any other instance, then?—A. I have no recollection of ever doing that in my life or causing it to be done.

Q. That was the only ground upon which you refrained from seizing them?—A. Yes; that was the only ground. If I thought he had had any collusion I should have taken the goods.

Q. You took no receipt for the money?—A. No, sir; I think not; I don't recollect taking any receipt.

Q. What advantage did you derive from the Radcliffe diamond case except your moiety, if you should get it?—A. None whatever.

Q. Up to this time you have realized nothing out of it?—A. No, sir; not a dime.

Q. With regard to the seizure of the cigars, if I understand you, you stated that cigars that were smuggled were generally in boxes; cigars that you seized in the factories or on ships here were generally loose?—A. No, sir; not generally; sometimes loose.

Q. You seized them in bulk?—A. Yes; sometimes smuggled cigars were loose; there have been such instances.

Q. What proportion of smuggled cigars or how often were smuggled cigars seized which were loose?—A. That I could not say; I know we have seized some that were loose.

Q. You cannot state the proportion?—A. No, sir; I could not.

Q. How often in the cases of seizures in the port here, on shore? What proportion of seizures made in the city here were made of cigars that were loose?—A. I could not say.

Q. Not in boxes?—A. I could not say; there has been instances of that kind, but I could not say.

Q. I understand you to say that boxes were never opened—boxes of cigars were never opened in your office?—A. Not to my knowledge.

Q. Are you quite sure of that?—A. I have no recollection of ever allowing any to be opened.

Q. You would not have permitted it had you known it?—A. No, sir; I would not; I gave very strict orders in regard to that to my men—not to have a single cigar gone.

Q. And no box opened, and all the cigars brought to your office promptly, and a return made?—A. So far as I have any knowledge.

Q. Now, when you made a return of the cigars seized you stated the quantity always, did you?—A. Yes, sir.

Q. How did you ascertain the quantity of the boxes of cigars unless you opened them?—A. We take them for what they appear to be; we count the boxes.

Q. Do you mean to say that you never opened the boxes to ascertain how many cigars there were in them?—A. No, sir; we never opened the cigars; we count the boxes; we can tell the box by the size of it—how many it holds. The custom-house receives it in the same way, I think.

Q. You never opened the boxes of cigars to ascertain the number or quality of cigars they contained?—A. No, sir.

Q. You took them as you took the diamonds—"unsight, unseen"?—A. We took them as we found them.

Q. That was your practice?—A. Yes.

Q. Do you mean that all boxes are alike in size and alike in the number of cigars?—A. No, sir; they are put up as a general thing in fifties and hundreds—cigars imported are.

Q. Do not cigars differ in size?—A. Yes, sir; there are sometimes boxes with twenty-five in them; you can always tell those by the looks.

Q. A box that will hold fifty of the one size will not hold more than twenty-five of another?—A. They make boxes according to the—

Q. Is not that so?—A. They make the boxes according to the size of the cigars. I can just as well, by looking at a box, tell the number of cigars that ought to be in it as I could by counting.

Q. Then I understand you to say that you never opened a box of cigars to ascertain anything about the contents?—A. No, sir.

Q. Neither the quantity nor quality?—A. No, sir.

Q. As to cigars that were loose when you seized them, either smuggled or for violation of the internal revenue, what was done with them when they were brought to the office?—A. They were turned over, sir, to the proper place—either to the collector, or marshal, or custom-house.

Q. They remained in your office some time?—A. They were in there a few days, perhaps.

Q. Do you mean to say that none of those were ever used by any person in the office?—A. Not to my knowledge, because generally the seizure shows; and if anybody was to steal, when they came to turn them over we should know exactly how things stood, and somebody—the man who had them in charge—would be held responsible.

Q. Do you mean to say that the return was made directly the seizure was made?
—A. As a general thing, sir.

Q. The return by your officers?—A. Yes, sir; my officers have instructions to make a report. They make a regular report every seven days, and they report exactly how many cigars came into their possession. It will be reported by three or four men.

Q. They make this every seven days?—A. Yes, sir; I have regular instructions to my men.

Q. I supposed you did not mean to be understood as saying that the report was made immediately on the seizure of each lot?—A. No; I understood you as to the report made to the custom-house. There is a report I require from my men to give to the solicitor's office. They have nothing to do with turning the cigars over to the custom-house. Those are made on a blank, and sent to the custom-house with the cigars.

Q. When are those reports made?—A. Generally right off after the cigars are seized. Sometimes they may wait two or three days when there is a large seizure.

Q. Once a week?—A. They could not lie in the office that length of time.

Q. They would several days?—A. No, sir; I think not.

Q. Do you mean to say that none of those loose cigars were ever used in your office?
—A. Not to my knowledge.

Q. I observe you use that form of words very constantly, "not to your knowledge." If you do not know anything about it, say so; if you do know, tell us what you know.

—A. If you will allow me, I have no knowledge of any cigars ever being used there. It is barely possible, as I said, that a man might make a false report, and if he should do that, and bring in less cigars than what he has seized—pocket some of them—of course, I would have no knowledge of it. I have no knowledge of any deficiency in the cigars.

Q. Have you never heard of your men taking handfuls of cigars at the time of seizure, and carrying them off for "evidence," as they call it?—A. No, sir.

Q. You state you never knew of any cigars being sent from your office to any person in the Treasury Department, except once, when you bought and sent to a gentleman, whom you named, a single box?—A. I said I do not remember any other instance. In fact, I would not swear that I ever sent even a box of cigars, but I may have done so. If I did, I did not send any seized cigars.

Q. Whenever you wanted to give any cigars to your friends, although you never smoked yourself, you sent out and bought them?—A. Yes, sir; we bought a great many at different times. The men usually buy the cigars, because I do not smoke, and we always—

Q. I am stating what you said about sending out and buying cigars for your friends when they come into your office?—A. Yes, sir; there has been a great many brought into my office by my clerk. I say they were bought; my clerk bought them.

Q. Bought them for you?—A. Yes, sir; he has brought them there, and I have given some of them away.

Q. Bought them at your orders?—A. Yes; paid for them.

Q. You say you sent out and bought cigars for your friends, although you, perhaps, every day had some loose cigars in your office?—A. I recollect an instance—

Q. Is that so, that you say that, although you did not smoke yourself, you frequently had your clerk go out and buy cigars for friends dropping into your office, although you had loose cigars in your office almost every day? Is that so?—A. If you will let me state it myself I would be glad.

Q. Go on.—A. I stated I have often asked Mr. Cunz or Mr. Newcome if they had any cigars, and if they have not any they will say, "I will go out and buy them." They have bought cigars. I do not recollect ever paying for them.

Q. Who paid?—A. They did.

Q. I understood you to say that you sent out and bought them?—A. They were bought. I did not say I bought them.

Q. Then you never did buy any?—A. I do not recollect ever buying any cigars. I do not use them at all.

Q. Your statement, as I have it, is "I have bought cigars and given them to my friends."—A. I have given cigars that were bought; they were bought by my suggestion, I suppose, in that way.

Q. In regard to all these seizures made by you from time to time, whether of smuggled goods or goods taken in consequence of violations of the internal-revenue law, I understand you to complain of a great laxity in the administration of justice here?—A. Yes, sir; very great.

Q. Was ever a case prosecuted to conviction?—A. For what offense, sir.

Q. For any of the offenses in your bureau in this city, either against the revenue or the customs?—A. With one single exception, there never has been, and that was in this port, but in the State of New Jersey—but one.

Q. You state there never was a bail-bond sued upon?—A. Not that I am aware of, sir. I know the men are not forthcoming, and can name a great many.

Q. You state that in some courts other than the courts of this city—I speak of the United States courts—there is a practice by which the defendant in a case of fraud upon the revenue or the customs—I say in such a case as that, of a man arrested for a fraud, either upon the revenues or the customs, is held to bail on a different charge from that upon which he was arrested, and for a different offense than that which he actually committed, in order to enable him to settle by paying the penalty?—A. Not held to bail.

Q. Well, leave that out.—A. But he has been allowed to settle on another charge from that which he had actually committed; yes, sir. He is allowed to go into court and settle the case and pay a fine. Some of those cases cannot be settled without imprisonment, under the law.

Q. The charge against him, then, was an untrue one as made, and it was so made in order to enable him to settle by paying a fine?—A. I could not say it was untrue, but different from the one which he was charged with.

Q. That was the only charge of which there was any proof before the officer?—A. Yes, sir. They dropped the main charge and allowed him to go in and settle.

Q. In what court is there such a practice?—A. I do not say it is the practice. I have known of such things being done. It was under the administration of Mr. Johnson it was done, some three or four years ago. I have not seen it since, because I have not been in any other courts on that business myself, personally. That was in Chicago.

Q. In what one of your many lines of business have you the most business?—A. Counterfeiting, sir, is the most important business with us.

Q. Among the many times that you refer to Mr. Beatty, you speak of him at one time as the only man who ever acted dishonestly in your force; is that true, sir?—A. To my knowledge he is the only man who ever committed—that is my recollection of it. I don't recollect any instance where a man has actually committed an offense.

Q. You speak of him as the only man who ever acted dishonestly in your force?—A. Well, sir, to such an extent, you know, as to cause his removal—to my knowledge.

Q. What do you mean by that? What kind of dishonesty is it, and to what extent, that, in your judgment, it would not require you to remove an officer?—A. Well, sir, I have no knowledge of any man's ever stealing, except Mr. Beatty, directly. I say it would require something of that kind, perhaps; it would depend a great deal upon the man. I should be governed by the man's general efficiency and what I thought of him, as to his general integrity. We are all liable to error at times.

Q. Do you consider smuggling a dishonest thing?—A. Yes, sir.

Q. Have you on your force a man named Kennock?—A. Yes, sir.

Q. What crime had he committed just before you employed him—some time before and shortly before?—A. He has, as I am well informed, been in the habit, when he ran on steamers, of bringing in cigars to this port.

Q. Why don't you call it by its short, right name?—A. Smuggling; yes, sir; bringing them in without paying duty. He so testified.

Q. He was in the habit of smuggling for a considerable period before the time you employed him?—A. I do not think he ever carried it on to any great extent, only he was frank enough to make the acknowledgment.

Q. I ask you whether he was in the habit of smuggling for a considerable time shortly before you employed him?—A. According to his testimony, he had been engaged in smuggling for other persons about twenty thousand cigars at different times, I think. That is according to my best recollection.

Q. Did he not admit to having disposed of thirty thousand smuggled cigars?—A. I did not hear his testimony, but it was given to me as twenty thousand, according to my best recollection.

Q. And yet you employed him?—A. That was done long before I knew him. He has been a very honest man since he has been on my force, so far as I know.

Q. What was done long before you knew him?—A. That was done long before I knew Mr. Kennock. That came out, that he had formerly done wrong.

Q. Was he ever in the Government employ until you employed him?—A. Not that I am aware of; no, sir, I think not.

Q. Now, do you mean to say that his smuggling ended long before his employment by you?—A. Yes, sir; so far as I am aware. I do not say long before, but he has never done anything of that kind since he has been with me.

Q. I am speaking about what happened before you employed him. You understand that, sir.—A. I cannot say as to the date.

Q. Don't you understand that I am speaking of what he did—A. I do not pretend to say it was long before that. I do not know how long before.

Q. Don't you understand I am speaking of his smuggling before you employed him?—A. Yes, sir; I do not know how long before.

Q. Now, how long do you say he had been a smuggler, and how long had he ceased to be a smuggler before you employed him?—A. I don't think he ever was considered a smuggler. He was a hand on board a steamship. He did just the same as every other

hand does—bring in cigars. I don't think you can find one coming into this port that don't do it.

Q. How long had he been engaged in smuggling, for a considerable time as you stated, before you employed him?—A. I could not tell you how long.

Q. Do you mean to say it was more than three months?—A. That I could not tell you, sir. All I know is his own confession and what I know of my own knowledge.

Q. Did you hear his testimony in the Miner case?—A. No, sir; I did not.

Q. Can you fix any time?—A. No, sir. I know something of my own knowledge, perhaps, in regard to it.

Q. When you did employ him you knew that he had been in the habit of smuggling for the time and to the extent you describe?—A. No, sir; I did not know that.

Q. When did you first know it?—A. In his testimony on the Miner case.

Q. Not before?—A. No, sir. I knew he had a barrel of unstamped cigars in his possession, but it was so thoroughly explained to me that I was satisfied he had no interest in them whatever. It is no offense to have a barrel of unstamped cigars in your possession.

Q. Not by one who is not a manufacturer?—A. No, sir. It has been so decided down here by the commissioner. You cannot hold a man for it.

Q. Is there a man named Clandell in your force?—A. No, sir.

Q. What is the name of the man whose name is like that?—A. I think you have reference to a man named Claudell.

Q. Is he in your force?—A. No, sir.

Q. Was he at any time?—A. No, sir; not upon it. He was used—employed and paid to give information as an informer.

Q. Isn't that being in your force?—A. No, sir.

Q. Then it is being out of it?—A. Employed as an informer.

Q. He is a person employed by you from time to time?—A. He has been paid to give information and has given some very valuable information.

Q. Was Claudell engaged with Kennoek in smuggling?—A. Not that I am aware of.

Q. Do you say that you are not aware of that?—A. No, sir; I do not think it ever came to my knowledge.

Q. Haven't you heard of it?—A. Not to my recollection; no, sir; but still it may be true.

Q. When did Mr. Beatty tell you that he had bribed the doctors, so testifying in the indictment against him, as to reduce the verdict to a verdict of assault and battery?—A. I think the conversation I had with him in regard to that was about a month or such a matter before he went off my force.

Q. Why didn't you discharge him immediately, sir?—He put the thing in a little different shape than that to me. He said it cost him all that he was worth. He said that he paid them—the doctors—a thousand dollars apiece.

Q. What did you understand by that?—A. At that time I understood that he had paid that money to the doctors to examine this man.

Q. As a bribe?—A. Not as a bribe at that time; no, sir.

Q. That was the only time that he spoke to you about it, was it not?—A. I have learned more of it since; that is the only time he spoke to me.

Q. At that time, therefore, you supposed it was an innocent payment, and it did not affect his remaining on your force? Is that true or false?—A. Well, sir, it did affect it; it did.

Q. It did weigh with you, then, in discharging him?—A. Yes, sir; somewhat.

Q. Although you regarded the payment as an innocent one?—A. Not entirely innocent. I thought it was wrong, even in the manner in which he put it.

Q. I asked you if you regarded it as a bribe and you said not?—A. Not exactly as a bribe; no, sir.

Q. When money is paid to witnesses to testify wrongly, is that a bribe or not?—A. He did not say that he had paid it to testify falsely. He did not say that he paid it for testimony at all. He said it cost him all he was worth, and he had to pay the doctors about a thousand dollars apiece, and I learned afterward that he had bribed the doctors. I have been told so since.

Q. Did he ever make any statement to you that he had bribed the doctors?—A. No, sir; he didn't, but that he had paid it.

Q. Did he ever make any statement from which you inferred that at the time?—A. He has made a statement of that kind to others.

Q. To you?—A. No, sir; not to me. He has not made a statement to me that he bribed them.

Q. Then you have no statements from him upon which to rest any such accusation as that he bought the testimony of the doctors?—A. He did not say that to me personally, but I can produce the evidence.

Q. I am speaking of what he said to you?—A. Yes, sir; I can produce the evidence.

Q. Your testimony was calculated to produce a very wrong impression, but for the

statement which you have just made to me.—A. He told me it cost him all he was worth.

Q. Have you ever heard of a trial costing a man a great deal of money when his life or his liberty was in danger?—A. Yes, sir.

Q. You have heard of such things?—A. Yes, sir.

Q. A man may have that happen him and yet be very innocent, may he not?—A. He was convicted of an assault—

Q. No—I beg your pardon—if you will just answer my questions we will get along a great deal more rapidly. May not a man have to expend a great deal of money in his own defense in the matter of either his life, liberty, or property, and yet be entirely in the right?—A. It is possible, sir.

Mr. PRATT. Is that a fact that the witness knows better than the members of the committee?

Mr. CASSERLY. He has undertaken to draw inferences which are going before the world as his testimony, and I wish to show how unjust and how unfounded those inferences are; and I cannot show that in any other way than by the witness's own better knowledge on the subject. If this case was to be tried by this committee and disposed of, I should have very little difficulty about such a point.

Q. (To the witness.) You have spoken of this man's misfortune in regard to his indictment for a very serious crime. You have also spoken of the Miner case very much at large. You have gone into circumstances affecting Mr. Beatty, and even what he said about his family.—A. I heard that myself.

Q. I know you stated it. I did not think you were called upon to state it, but you did. That will oblige me to ask you some questions about yourself that otherwise I should be very glad indeed to avoid.—A. Yes, sir; I will answer anything with pleasure.

Q. You will be the first witness on this inquiry with whom I have felt called upon to deal in that way.—A. I am at your service, sir.

Q. You stated you were, for a time, a pawnbroker in Boston. When was that?—A. I think in 1866.

Q. How long were you a pawnbroker there?—A. It is my impression, something less than a year. That is my impression; but, then, still—

Q. Did you ever have any trouble there, sir, with the authorities?—A. No, sir.

Q. None whatever?—A. No trouble with the authorities; none at all.

Q. Did you ever have your license revoked by the authorities?—A. I understand that my license was revoked after I quit the business, for something that was done there by some men who were in my office.

Q. Do you consider that having any trouble with the authorities to have your license revoked?—A. I had no trouble whatever, and was not keeping the place at that time.

Q. What was the ground of the revocation?—A. I know of no reason except what had been told me.

Q. What was that, sir?—A. Something that—that some of the men had cheated somebody in regard to a watch.

Q. That some of whose men?—A. Some person in my employ. That was the statement I heard. I do not know the particulars of it at all, because I was not there.

Q. Yes, I know; you said that once already. Now, what was that statement in regard to the watch?—A. I could not tell you, sir; I was not there.

Q. Did you never hear, sir?—A. I do not recollect what it was. It was something in cheating somebody in regard to a watch.

Q. There was something, then, on the part of a person in your employ?—A. No, sir; not in my employ.

Q. In your shop, then?—A. It was not in my shop at that time.

Q. Where was it, then? Just state.—A. I had quit the business. It was done, as I understood, by a man who used to occupy my window for fixing watches, by my permission. He was not in my employ; I gave him the use of the window.

Q. The authorities, however, revoked the license?—A. So I heard, sir.

Q. And the reason was a charge of cheating some one in the sale of a watch?—A. That is as I heard it. I don't know what it was.

Q. Where did you go from Boston?—A. I went to Washington.

Q. How long did you stay there?—A. But a very short time. I went there, and from there to Kansas.

Q. What was your business in Washington?—A. I went there to get the appointment of special agent in the Treasury Department.

Q. Did you get it?—A. Yes, sir.

Q. Did you state what was the year?—A. Eighteen hundred and sixty-seven.

Q. As I understood you, you were in Boston in 1859. Didn't you say 1859?—A. Eighteen hundred and sixty-six and 1867.

Q. What year were you in Kansas?—A. Do you mean after my appointment?

Q. When were you in Kansas first?—A. In 1857, I think.

Q. Where had you been before you went to Kansas in that year?—A. I had been in Massachusetts.

Q. At Boston?—A. Yes, sir; in Cambridge.

Q. Was it then you kept a pawnbroker's shop?—A. No, sir; I kept that in 1866 and 1867, I think.

Q. What were you doing in Cambridge before you went to Kansas?—A. I kept an oyster-saloon—an oyster-house—sold oysters.

Q. Then you went out to Kansas?—A. Yes, sir.

Q. What was your business in Kansas?—A. My business was keeping a grocery-store—I opened a grocery store, sir.

Q. What town?—A. In Lawrence.

Q. How long did you remain in Kansas?—A. I was there about—I am speaking from memory, and I might make a mistake of a few months—I think I was there about a year and a half, perhaps, or two years—I am not certain.

Q. From about what year to what year?—A. I think from the spring of 1857 to the winter of 1869; that is my recollection.

Q. You mean 1859?—A. Eighteen hundred and fifty-nine, yes, sir; I should have said so.

Q. Did you do any other business in that period besides keeping a grocery?—A. Do you mean business?

Q. Did you do anything in the way of business in that period besides keeping a grocery?—A. I think for a short time there I kept an eating-house, which I was not very successful in and sold it out.

Q. Did you do anything else?—A. In the line of business?

Q. Yes, sir.—A. Yes, sir. I know pretty near what you are driving at; they put it up on me in the Miner trial.

Q. What?—A. These questions.

Q. What questions? About the oyster-house and the grocery?—A. They inquired about them, and I suppose I might as well tell you—

Q. Well, you might as well tell the truth.—A. I am willing to tell the truth. You have not asked me the question. What you are driving at is—

Q. I have asked you twice, perhaps three times, what you did while you were in Kansas, in the town of Lawrence, besides keeping a grocery and a eating-house?—A. I did a great many things, I suppose, in different ways; but, as business, I think that is the only business I ever done there.

Q. That is the only business you did?—A. Yes, sir.

Q. Were you ever engaged during that period, in Kansas, in catching runaway negro slaves?—A. In one single instance, sir, I was. I went once and helped arrest some negroes and delivered them to their masters; I did, sir.

Q. You volunteered to go?—A. I went, sir, by request of an officer, and aided him in the execution of the fugitive-slave law.

Q. Did you get paid for it?—A. I never received a cent for it.

Q. Did you ever ask for it?—A. Well, sir, I did not receive a cent. I don't recollect asking for it.

Q. You went with the marshal in pursuit of a runaway negro slave and got him?—A. O, there was more than one we caught.

Q. You stated—?—A. One single instance—one case; we captured all of them.

Q. I see that you are very exact in the use of words when you see fit. How many negro slaves were there in the band, or how many did you catch altogether?—A. It is my best recollection that there were thirteen in the lot we captured then.

Q. A baker's dozen?—A. Yes, sir.

Mr. HOWE. Now, can't we agree to hang him on that evidence.

The WITNESS. I helped to execute the laws. I don't know as it was any offense then, legally.

By Mr. CASSERLY:

Q. You caught them. How many days were you in pursuit of them?—A. I think one day—part of a day.

Q. How far did you have to chase them?—A. We went up five or six miles and stopped them, and took them over to Missouri.

Q. How many of you were there in the band?—A. The marshal had some four or five men besides myself.

Q. What did you have to do with it, anyway? What brought you into such business?—A. I went along with him at the suggestion of a friend, who requested me to go, and I went with the marshal from Missouri to arrest these negroes; and very foolish I was to go, but I went.

Q. Then you were not a professional hunter of negroes, were you?—A. No, sir; thank God.

Q. You were a mere amateur?—A. Yes, sir.

Q. Now do you think an amateur hunter of runaway negro slaves is more respectable than an official hunter of them?—A. Yes, sir.

Q. You do?—A. Yes, sir; I do.

Q. Well, I am perfectly willing to leave you in the enjoyment of that opinion.—A. I would like to say, in my own behalf, that I did this in a legal manner, and that I did no wrong against the law or anything else.

Q. Well, sir, if there is anything else you want to say on that subject I am willing to wait here and hear it. What became of those thirteen black men?—A. They were taken to Missouri by the marshal.

Q. How far did you go with them?—A. I went with them as far as the Missouri line.

Q. How many days, in all, were you absent on that pleasant little excursion?—A. I think I was absent about two days.

Q. Who paid your expenses?—A. The marshal; I didn't get much expenses; they didn't require much in Kansas at that time. I don't think I eat anything from the time I started until I got through, if I recollect right.

Q. Was that owing to your ardor in the chase? You were away from your business then at least two days?—A. I think so; yes, sir.

Q. Who took care of your grocery in the mean time?—A. My clerk, I think; or, let me see—I guess I had quit business—yes, sir; I had quit business at that time.

Q. The last you saw of the thirteen negro slaves, that you helped to hunt down and recapture, they were going over the Missouri border?—A. I did not help to hunt them down; I just helped to arrest them.

Q. You hunted them up then, did you?—A. No, sir; they knew where they were.

Q. I understood you to say you went with the marshal and a party to a place where those people were and arrested them?—A. Yes, sir.

Q. Then you aided the marshal and his band to carry those thirteen men that you had captured in that manner across the Missouri border?—A. It didn't require any carrying; the negroes were very glad to get home, so they said. They saw their master, and they were tickled to death. He was along.

Q. Then it was a philanthropic pursuit you were engaged in, was it?—A. It seemed so, by the way they acted.

Q. Well, first you said you felt it your duty to execute the law; now you put it on on the ground of philanthropy. Which is the ground?—A. Well, both.

Q. You were able to make your duty and your pleasure go together?—A. Yes, sir, as I believed then. I thought it was better for them to go home.

Q. Did you leave Kansas shortly after that?—A. No, sir.

Q. How long did you stay there?—A. I left Kansas about in the fall. This was in the winter. This was in January, 1859; I left late there late in the fall of 1859.

Q. What did you do in the mean time, being out of business?—A. I went out to Pike's Peak; the gold regions.

Q. Pike's Peak wasn't in Kansas, was it?—A. Yes, sir; it is over about—

Q. It is in Colorado, isn't it?—A. It is now; but I think it was in Kansas then.

Q. How soon did you go out to Pike's Peak, after the negro expedition?—A. The expedition, I think, was in January, and I went in the fore part of June.

Q. What did you do in the mean time?—A. In the mean time, I don't think I did anything. I was preparing to go to Pike's Peak. I had been intending to go the year before.

Q. How long did you stay there and where did you go from Pike's Peak?—A. I came back to Lawrence, Kansas.

Q. How long did you stay there?—A. I don't remember how long I staid there.

Q. How long after that did you leave Lawrence?—A. After I came back back?

Q. Yes, sir.—A. I couldn't say exactly how long it was.

Q. Where did you go to from there?—A. I went from there to Saint Louis.

Q. What did you do there?—A. I was very sick and I did nothing there for a few days. I went from there South on account of my health.

Q. To New Orleans?—A. Yes, sir.

Q. State your business there while you staid.—A. In New Orleans I was on the Mississippi River the principal portion of the time—Red River rather. I ran up Red River and engaged in trade.

Q. Were you ever in a hotel in New Orleans?—A. Yes, sir; a short time.

Q. In any employment?—A. No, sir. I loaned the landlord some money and boarded there.

Q. Did you board on the interest or on the principal?—A. On the capital. Because I lost it; some portions of it.

Q. After that what did you do?—A. I was running up Red River.

Q. In what business?—A. Trading on the river. I used to buy sugars and molasses, and run up the river and buy anything that the farmers had for sale.

Q. Did you combine any other pursuit with your business?—A. No, sir.

Q. Of no kind?—A. No, sir.

Q. What time does that bring you down to?—A. To the breaking out of the—well, some time after the breaking out of the rebellion.

Q. About how long; 1862?—A. Until after New Orleans was captured by General Butler.

Q. What took place then in your affairs?—A. I was up Red River at the time of the capture, and the steamer which I was on was seized by a committee that came on board for the purpose of blocking up Red River, as they claimed. They took a couple of barges in tow and ran down from Shreveport, about thirty or forty miles. That night I, with a couple of negroes, and with the consent of the owner of the steamer, took the yawl and started for New Orleans, and rode down the river seven hundred miles.

Q. What took place when you got there?—A. I reported to General Butler as soon as I got there.

Q. By whose order?—A. Well, sir, I went and saw him. I reported to him.

Q. You call that reporting to him?—A. That was what it was called at that time, when people came inside.

By Mr. HOWE:

Q. Who seized this steamer?—A. A confederate committee seized it.

By Mr. CASSERLY:

Q. You reported to Mr. Butler; what happened then?—A. I gave General Butler all the information in regard to Red River that I had possession of, and I told him there was a steamer up there that I thought could be got out, provided engineers could be procured.

Q. That is not a matter of business. I don't want your conversations while you were there.—A. Well, sir, I started up there to get that steamer. I found out it was impossible to get her out for the United States, from where she laid. I then returned to New Orleans, and was employed by the provost marshal general to work as a detective.

Q. Was that your first entry on the duties of that profession?—A. That was my first, sir.

Q. How long did you act as a detective?—A. I acted until I was appointed major in the United States service.

Q. Did you continue to be a detective after you became a major?—A. I did some detective work after that.

Q. You kept your hand in?—A. Yes, sir; pretty well, too, sometimes.

Q. Is that usual for an officer of the United States, bearing an honorable commission, to act as a detective?—A. Well, I don't know; it is rather unusual, I suppose, but such service had to be done in those dangerous times.

Q. How long did you remain in that combined occupation?—A. The first regiment I was commissioned in was the Fifth Louisiana regiment. It—

Q. Never mind the details; just state how long it was you remained a major and acted occasionally as a detective.—A. Until I went before the board and was re-commissioned a major, and afterward I received what was called a provisional commission as lieutenant colonel, I think it was, which I never mustered in on. I was in recruiting service at that time, and the war broke up. I remained in the service in one way and another. I was with the Baldy Smith commission, known as such, detecting frauds in the Department of the Gulf.

Q. Did you not have a permit, sir, from the general in command, to trade in liquors and cigars between New Orleans and Mobile?—A. After the close of the war I got a permit from General Banks to take a quantity of liquors over to Mobile.

Q. How long did that continue?—A. I only had one permit from him; took over a quantity of goods; sold them out and returned.

Q. When did you leave New Orleans?—A. I left I think it was—it is my impression it was in the latter part of 1865; I went to Texas.

Q. State what you did there and how long you staid.—A. I took down a quantity of goods, consisting of wines—I think it was sherry wines pretty much altogether. I then found an opportunity there to get the selling of Government property that had to be sold at auction. I sold that property—quite a large property.

Q. Who bought it?—A. It was sold to anybody who was ready to buy it.

Q. Did you know any of the purchasers?—A. Yes, sir; one of them purchased very largely.

Q. That was the principal purchaser?—A. One man there purchased nearly all of the mules.

Q. He was the man which you knew?—A. I never saw him before in my life.

Q. I thought you said that you knew him?—A. No. I thought you asked me if I knew who it was. I never saw him before.

Q. You did become acquainted with him then?—A. No, sir; not particularly.

Q. To whom did you account for the money?—A. I never received any of the money—

not for that; I did for the sale of the commissary stores. In one instance I received several thousand dollars.

Q. When did you resume your occupation as detective and where?—A. In 1867, as special agent. The duties were the same as detective.

Q. Where was that?—A. In Washington I received the appointment.

Q. What was the chief field of your operation?—A. Anywhere where the Commissioner of Internal Revenue thought fit to send me.

Q. Where did he send you?—A. In the first place to Kansas.

Q. Were you ever in Virginia?—A. Yes, sir.

Q. You were sent all round the country wherever he saw fit?—A. Yes, sir; wherever he saw fit to send me.

Q. Then you went back to Boston?—A. After that.

Q. Shortly after that?—A. No, sir. I was appointed chief of secret service while I was doing service in the mountains of Virginia. I went down there and seized a large number of stills.

Q. When was that?—A. Eighteen hundred and sixty-nine. I seized thirty-one stills there. I went where no revenue officer never went before, in the mountains, so I am told.

Q. When did you go to Boston?—A. I have been there a great many times since, but I have never been there to stop since that time.

Q. What year was you in the pawnbroker's business in Boston?—A. In the early part of 1867. This was in the winter of 1867, I think, that I got the appointment in Washington. It was previous to that.

Q. When you went to Boston, where had you been just before that?—A. I went from Texas.

Q. And went in the pawnbroking business?—A. Yes, sir.

Q. And remained in that about a year?—A. Yes, sir. My health was poor; I thought I would try it.

Q. Then your license was revoked, as has been stated?—A. Not while I was in the business, sir.

Q. Well, it was revoked, was it not?—A. So I have heard, that it was revoked, and I believe it, sir.

Q. Well, so do I.—A. Yes, sir; I have no doubt of it, but not for any fault of mine. I want that to go on record.

Q. You can put everything in your evidence that you feel yourself justified in putting there, that has any bearing on this case, or even if it has not. What officer revoked your license?—A. I have no knowledge of it at all.

Q. Don't you know that it was revoked by the mayor?—A. No, sir; I don't know what their custom was.

Q. If you don't know anything about it, how do you know it wasn't revoked by the mayor?—A. You asked me if I knew it was revoked by the mayor.

Q. I asked you, or I meant to ask you, if you knew it wasn't revoked by him?—A. I don't know who revokes the license; I couldn't tell you; I think not, sir; that is my impression. It is done by some inspector of pawnbrokers; that's my impression.

Q. Then, after you left the pawnbroker's business you went into the employment of the Government?—A. Yes, sir; and remained in it ever since.

Q. I spoke to you a while ago in regard to your statement that Beatty was the only dishonest man—the only man that ever acted dishonestly in your affairs.—A. That I at present recollect and to my knowledge.

Q. Well, I brought to your recollection the case of Mr. Kennock.—A. You mean while on my force?

Q. No, no; I don't care; it was generally of the question of honesty of the people of your force, and I don't think it is very important whether a man stole when in your force, or stole the day before he came into it or the day he went out of it.—A. I don't know of his ever stealing anything. He's a very honest young man.

Q. I don't say that there is any such allegation against him, but Kennock was guilty of smuggling.—A. It may be that he was; he says so.

Q. And in the face of your knowledge of that, you have retained him in your force. I also mentioned to you the name of Claudell. Now do you remember a man named A. J. Whiteman?—A. Yes, sir.

Q. He was in your force, wasn't he?—A. No, sir.

Q. Well, I see you are falling back again on a difference of words; wasn't he in your employment from time to time?—A. No, sir; he came into the office and gave information, that's all.

Q. What did you call him?—A. An informer.

Q. An informer is a person you employ?—A. I didn't employ him, sir, regularly. If he brought me any valuable information I paid him according to—

Q. Now, why won't you be frank, colonel, and just save time and words by answering at once what we all know to be the fact?—A. It is not true.

Q. What is not true?—A. It is not true that he was ever regularly employed by me.

Q. I didn't say that he was. A man may be employed by you though he may be employed once in a month only.—A. I paid him for information; that is the truth of it, sir.

Q. And you recognized him as one of the persons whom you could use and on whom you might rely?—A. No, sir, I never did; whenever he brought me information I tested it; if I found it good it was just as valuable as any other man's information.

Q. Well, he was a man that came about and you permitted to come about in your business?—A. Yes, sir; and I have had a great many worse men than him come to me with information.

Q. What did I ask you?—A. I said yes, sir; and he came to me with information.

Q. Why didn't you stop there? Now, let's see; you say you have had worse men than that come to you with information?—A. Yes, sir.

Q. Let's see, now, how bad they must have been. Did you ever go on the bail-bond of Whiteman in any case—ever go his bail?—A. I can't say that ever I did. I don't think I ever did. It may be barely possible. It was a mere technical arrangement, if it was ever so.

Q. Then did you technically go his bail?—A. No, sir; I don't recollect it, but I don't say now that I didn't. I have often done that.

Q. Often done what?—A. Gone bail for parties that I wanted to use.

Q. Do you remember becoming his bail on the charge of swindling?—A. No, sir.

Q. In Philadelphia, in Mississippi, or elsewhere?—A. No, sir, I did not, never.

Q. Or upon any criminal charge?—A. If you will allow me to explain—it is rather a peculiar thing.

Q. Certainly, I wouldn't object if I could.—A. Well, sir, there was a game played then that is technically known as the "boodle game" throughout the country.

Q. You will have to explain that.—A. There was parties about the country who would go and represent to men whom they would select that they had secured the five-dollar—a set of five-dollar counterfeit plate—from the Government, and they would sell them counterfeit money, as good as genuine, for fifty cents on the dollar, and would give them the genuine money as a sample, and, having succeeded in making the man believe that, they could then get him to go and meet some friends of theirs, to take the bundle, and the bundle would be a bundle of papers with good money on top of it. Whiteman was that class of a man; he followed that kind of business.

Q. He dealt in that kind of merchandise?—A. Yes, sir. He had gone to work and got up a lot of bills that the ends looked almost exactly like the five-dollar note, but turn up you would see cotton bales, and a quantity was found in his trunk. It was a considerable stretch of the law, and I thought I might be able to frighten him. I looked up the law carefully; I thought perhaps I might be able to hold him, and I had him arrested on that charge and took him down before the commissioner, and when I got Whiteman down there, he pulled the law out of his pocket, and he had those very passages marked on which I had him arrested; said he understood the law as well as I did, and that I couldn't hold him; but I insisted that I could, and finally he agreed to give information as to the parties who were getting this thing up over in Philadelphia, and I sent him over there to get that information. When he arrived there with Mr. Nettleship, the man whom I sent with him, he sent for a man who had formerly been a confederate of his in the same business, but whom he had for the time being quit, a man by the name of Grover, William B. Grover—

Q. Unless you want to give us all those details, I don't care about them.—A. I would like to have you hear it; it's a very interesting story; it ended in getting all these men in State prison, and justly, too.

Q. Your friend Whiteman?—A. Not that, directly, but he afterward got in on that same game.

Q. Where did this arrest of Whiteman take place?—A. They took him down to the building, but I think he was arrested by the marshal of this city.

Q. Down to what building?—A. Chambers street; the United States district attorney's office. I did take him in before the commissioner.

Q. There it was you entered bail for him?—A. I couldn't say whether I went his bail or not; I may have.

Q. You made the charge on which he was arrested?—A. Yes, sir.

Q. How did he go free unless he was bailed?—A. I don't remember whether I went his bail or he went his own recognizance. It was one way. I don't think I went his bail. I think he gave his own recognizance.

Q. Is it not a practice of yours to obtain or give bail for persons in the situation of Whiteman, whom you want to use?—A. Not exactly in the case of Whiteman; I do, for counterfeiters, sometimes.

Q. Are you sure about not giving bail for Whiteman?—A. I think not, sir. I think he gave his own recognizance. I would like to explain how I give bail for counterfeiters. It was done under the advice of the district attorney.

Q. If Whiteman was allowed to go on his own recognizance, that must have been with your own consent?—A. O, yes.

Q. So that practically, then, whatever freedom he obtained, he obtained through your permission?—A. Yes, sir; whatever freedom he obtained he obtained with the understanding that he was to go over and show up others engaged in the business.

Q. When did you last avail yourself of the services of Mr. Whiteman?—A. Of his information? I couldn't say; he has brought me a great deal of information.

Q. When did he last give you any information or service of which you availed yourself?—A. That I couldn't tell you.

Q. Was it a year or ten years ago?—A. It was some time before he went to State prison.

Q. He is in State prison?—A. Yes, sir; he is, and all the rest of that gang.

Q. When did you last have any dealings with him?—A. I never had any dealings with the man.

Q. Well, as I have had the occasion to remark more than once, you choose to be occasionally very exact about language.—A. Well, sir, I had no dealings with him, as I understand the word dealings.

Q. When you have a man come and give you information and render services for which you paid him, don't you call that a dealing with him?—A. No, sir; I don't call that dealing with him in that sense.

Q. When did you last avail yourself of his services?—A. Of his information?

Q. Whatever you call it.—A. Well, sir, I couldn't say.

Q. When did you last have anything to do with him?—A. I couldn't say at what time.

Q. How long before he got into State's prison?—A. It was several months. He quit coming to me entirely.

Q. What is the crime that sent him to State's prison?—A. For playing the "boodle game." The man swore that he took his money away from him, I think; so I understood.

Q. Then you didn't succeed in withdrawing him from that first suit?—A. No, sir.

Q. Was that from a defect of moral influence on your part or great perversity on his part?—A. Great perversity on his part; I did my utmost. He was a very smart fellow, and if he had been an honest man, he would have been an ornament to society instead of an ornament to the penitentiary.

Q. Why, yes; he might have been a detective in the United States service.—A. If he had been an honest man I should have been glad to have him.

Q. Now, how many worse men have you had occasion to use than Whiteman?—A. I have had worse men and received information from worse men than Whiteman.

Q. What crime did they commit?—A. Counterfeiters.

Q. Do you consider that a greater crime than the crime for which Whiteman was sent to State's prison?—A. It is, under the law.

Q. You mean the punishment is more severe?—A. Yes, sir; I think it is. I think it is a greater crime for a man to be a counterfeiter. It is diamond cut diamond.

Q. Do you have much use for such class of people?—A. Yes, sir; a great deal. We couldn't catch counterfeiters without using them.

Q. Did you ever have in your hands a requisition, or process of some sort, for a man named Raymond H. Perry?—A. Yes, sir.

Q. From whom did you receive it?—A. From a Mr. Moore, I think; an ex-Captain Moore, from Texas.

Q. What office did he hold?—A. Not any, sir. He sent it to me from Texas. The requisition came from Texas. He requested me to make the arrest. I would do that for any man.

Q. What was the crime of Mr. Perry?—A. He was charged in the indictment, or in the complaint—I don't remember which it was, but it was a certified copy, whatever it was—he was charged with murder, I think.

Q. Did you capture him?—A. No, sir; the papers were insufficient to take him.

Q. Where did you understand Mr. Perry to be at the time you had the requisition?—A. I had the requisition for him on the chief justice, I think, of the District of Columbia; also on the governor of Rhode Island; they sent two requisitions.

Q. Did you execute the requisition on the governor of Rhode Island?—A. I presented the requisition, and, if I remember right, he referred me to the district attorney, or some attorney—I don't recollect who.

Q. Was there any trouble about the form of the requisition?—A. He said it was insufficient.

Q. On what ground?—A. I don't recollect; but whoever the witnesses were, there had to be other witnesses or some papers certified; as to what they were I don't remember precisely.

Q. Was there any trouble about the seal of the papers?—A. No, sir.

Q. What was the amount of money that you were allowed to expend in your secret-service fund?—A. Altogether the appropriation was \$125,000 per annum.

Q. Is that at your sole disposal?—A. Well, sir, they can only draw it after we render service. We make a statement and swear to it, and draw our pay and expenses.

Q. When you say "we" you speak of yourself, don't you?—A. Yes, sir—all; my men draw in the same way.

Q. Isn't your approval requisite?—A. Yes, sir; where it is for wages alone it is not; if the man is regularly; but if it is for services rendered under my eye it would be necessary. They are compared with the reports of those men, to see that they did render the services, and I expend the money as they claim, according to their reports.

Q. Your approval is necessary—A. In some instances.

Q. Well, listen to me now. Your approval is necessary to enable any of your men to draw money out of the secret-service fund?—A. No, sir. It is necessary that they should have an appointment, and then after that they should draw their wages right along.

Q. Wages don't form any part of the secret-service fund?—A. Yes, sir; all paid out of it.

Q. What moneys require your approval in order that they may be drawn for your men out of the secret-service fund?—A. For instance, if a man had made what we call a deal—it is a purchase of counterfeit money—my certificate would be necessary, and more particularly if the money was lost; there have been instances where we got boodled. They beat the detectives sometimes.

Q. Let me see if I can get at the foot of this matter. When one of your men is considered by you to have earned a sum of money to be paid out of the secret-service fund beside his salary, how does he obtain it?—A. He makes out the items of his expenses, whatever he has paid out, and forwards it to Washington. I sometimes approve it. It depends somewhat on circumstances. We have all kinds of circumstances arising, and so unless you would let me explain one I couldn't tell you exactly.

Q. Just state a single case.—A. If a man should require a hundred dollars to purchase counterfeit money with, it would require my approval, if it was expended here, to show that he did use it and did get the counterfeit money, which is in my possession. We purchase counterfeit money.

Q. Sometimes you take a great deal more money than a hundred dollars, don't you?—A. Yes, sir; O, yes.

Q. How much was used in that "Winsor" case?—A. We used fifteen hundred dollars.

Q. How was that drawn, sir?—A. That was money, sir, that I have on hand. It don't belong to the secret-service fund. I found a great difficulty in having a fund I could use without advancing my own money. I sometimes required money. That has sometimes been acquired by the witness fees that have been returned. It has been—I wrote to the Solicitor of the Treasury about it, and he gave his permission. It belongs to the Treasury Department. When we are through with it we have a few thousand dollars accumulated, already, and from the sale of counterfeit presses that we have received at different times, most from counterfeit presses, I suppose.

Q. What do you call that fund?—A. It is a special fund.

Q. Accumulated out of the witness fees, sales of counterfeit presses, tools, &c.?—A. Yes, sir.

Q. What witness fees do you refer to?—A. Witness fees where men in the service testify. They draw their witness fees. They have always been in the habit of, heretofore, being allowed the witness fees; but I concluded that was the only way to get a fund; so I required them to turn in the witness fees up to a limited time. They have not been doing it lately.

Q. What is the largest amount that fund has ever reached?—A. I think, sir, about \$4,000 altogether.

Q. That fund is at your disposal for purposes in your business as a detective?—A. Yes, sir; just as I see fit to use it; I could not very well get along without it. It is an absolute necessity.

Q. You were saying that when a sum of money is required to carry out an object in the detective service, that is called for in a written report—a written statement?—A. We do not ever get money in advance unless the disbursing officer sees fit to advance a half month's pay where men have served, and take their receipt.

Q. Take your own way; state in what circumstances moneys are drawn out of the secret-service fund in Washington for other purposes than the wages of your men?—A. Do you mean for payment of services, or for the expenses? Men traveling around the country have expenses; that is paid upon a voucher, the same as it is in the revenue or any other department of the Government.

Q. I want you to tell us here the mode of proceeding when it is desired to obtain the money from the secret-service fund at Washington, for other purposes than wages?—A. We never obtained any except to pay our expenses and wages.

Q. What expenses?—A. Traveling expenses about the country, and services—car-fare in the city, &c. It pays all the expenses.

Q. Do you frequently have to make disbursements in dealing with criminals?—A. I use this fund—the special fund of \$4,000 that I speak of.

Q. How do you pay your informers?—A. When I get through, their money is put in as services rendered, and their receipts taken.

Q. Where does that come from?—A. That is forwarded and the bill collected by the operative who employed him.

Q. Collected where?—A. In Washington.

Q. That money, then, is paid in Washington?—A. Yes, sir.

Q. Does it require your approval?—A. It depends on circumstances; if the operators are away from here it don't require my approval if the bills are reasonable. They are only allowed to use so much. We have to be very cautious because the fund is very small.

Q. Do you consider \$125,000 a small fund?—A. Yes, sir; for the amount of labor we have performed, as our records will show.

Q. To what amount are the disbursements limited that you have been speaking of in each case?—A. If the man's bill was large, more than the employment of one, unless he showed extra services for it, it would be cut out. He would have to report it to me and show why it was used.

Q. Colonel, don't you understand that I have been speaking of moneys paid to informers and what amounts?—A. I have my printed instructions here, and that will give you the whole of the facts.

Q. I would rather have your statement; what amount is allowed in any one case for moneys paid to an informer?—A. It depends entirely on the circumstances of the case, and how long the man was in giving the information; what it was worth.

Q. What is the largest amount you have known paid in a single case for the services of an informer out of the secret-service fund at Washington?—A. I don't know of more than a few hundred dollars, perhaps—I could not tell; for any single information it would be very small.

Q. Very small?—A. Yes, sir.

Q. What do you call very small?—A. Well, sir, out of the secret-service fund I don't suppose I ever paid a man over \$200 to my recollection. There might be more, but I don't recollect it. There is so much of it, I don't remember ever paying a man more than—sometimes, if the services were of value, I would give a man a couple of hundred dollars. It would depend on circumstances.

Q. From that down to what sum?—A. Any sum.

Q. Well, what is the smallest sum?—A. I could not say. If a man should come in and he said that it took him three or four days to point out the thing and to get the thing right, why we would pay him for four or five days' work.

Q. How much would that be?—A. We would probably pay him—if we paid him \$3 a day—it is according to the kind of work—get them as cheap as we can—we get them at \$3 a day.

Q. What is your salary?—A. \$3,500 a year.

Q. Besides—? A. Besides what?

Q. Shares.—A. Any moiety I make I am entitled to—all officers are.

Q. Is there anything else that you receive except for your traveling expenses?—A. No, sir; except what I pay out.

Q. What have you received since your appointment to your present office?—A. I could not tell you what I have received; I have received nothing more than my pay and my expenses.

Q. Have you received nothing for moieties?—A. Well, I have probably received—you mean for moieties—O, I thought you meant from the secret-service fund.

Q. Do you get moieties out of the secret-service fund?—A. No, sir.

Q. Why did you suppose I meant that?—A. You did not say moieties; I beg your pardon.

Q. I certainly did.—A. I did not so understand you then; I say I may have received altogether \$3,000. I don't think I have exceeded that amount.

Q. That is in all for moieties?—A. I should judge so.

Q. How much has your salary been?—A. My salary has been \$3,500 a year.

Q. How much in all did you receive for salary?—A. Since I have been here I could not figure it up, but it will be about—somewhere about eight or nine thousand dollars, probably.

Q. How much for your expenses?—A. I cannot say; the bills will show.

Q. You have not got them here?—A. No, sir; I could not say anything in regard to that.

Q. You could not have an idea, even?—A. No, sir; I could not tell. Sometimes they are a good deal

Q. Are they \$100 a month?—A. O, yes, sir.

Q. Are they \$500 a month?—A. Sometimes more than that.

Q. Are they a \$1,000, sometimes?—A. Yes, sir.

Q. Are they more than a \$1,000?—A. My expenses? O, no, they never were a \$1,000—five or six hundred. I thought you meant my whole—I made a mistake in saying it. In the extradition of Caldwell case—they never do exceed more than about six or

seven hundred dollars a month in any case—but in the extradition of Caldwell I paid out considerably more than that.

Q. That was the Blatchford case?—A. Yes, sir. I paid all the witnesses' expenses in Canada, and the lawyers, and everything else.

Q. That was an unusually expensive case, I suppose?—A. Yes, sir.

Q. Is the secret-service fund generally exhausted each year?—A. Last year, I think, there was seven or eight thousand dollars left of it. I couldn't say exactly. I could have used a great deal more if I had had it, because there would have been a great deal more work done; we had to leave a good deal of work undone.

Q. But I thought you said that your principal business, which was counterfeiting, was pretty nearly finished up with you?—A. We have, I think, pretty nearly broken up the business, but a great deal of work is undone that we ought to have been able to do. The business is certainly not as brisk as it used to be—that is certain. I have captured a great many plates, and I do not know of but one set out now.

Q. How many men have you under you throughout the country?—A. I could not tell you any more than regular employes. I think I stated to-day twenty, at random, and I have found that to be the number. I stated it upon the best of my judgment at that time.

Q. What did I understand just now?—A. I meant to say on the best of my judgment.

Q. That is not stating it at random, you know?—A. I may make a mistake in speaking.

Q. Well, what are their salaries?—A. The men are paid from \$5 to \$6 dollars a day. There are some three or four men getting \$6.

Q. Do you know the total amount of their salaries?—A. I could not tell you altogether their salaries and expenses, what it amounts to.

Q. Twenty men at \$5 per day is \$100?—A. Yes, sir; but then they pay traveling expenses, pay for information, and the most of them for assistants under them—men to aid them. Constantly we have to pay expenses; usually taking criminals from one point to another.

Q. So that, what with paying salaries and traveling expenses, disbursements to informers, and otherwise, \$125,000 secret-service fund is hardly enough?—A. Well, we could use more to a good advantage to the Government, in my opinion. That is my opinion; we could do it, sir. We look up a great many cases besides counterfeiting, and even on that we have arrested a great many.

Q. Do you disburse any of the moneys to your men or in your department?—A. Myself?

Q. Yes, sir.—A. No, sir.

Q. Never?—A. The Assistant Solicitor of the Treasury is the disbursing officer.

Q. He is at Washington. You never paid out any moneys?—A. No, sir; I never did.

Q. To informers, or others?—A. No, sir; I do not know anything about that. I just loaned money to men sometimes out of this special fund. I speak of where I want to send a man very hastily and he has no money.

Q. You mean you advance it to him?—A. Yes, sir; loan it to him for the time being, and take it out of his pay, and put it back in the special fund, to keep that correct all the time.

Q. But you never actually disburse any money to any of your men or to any of the people to whom money is paid, such as informers?—A. Yes, sir; you say I do not disburse money to them.

Q. Yes, sir.—A. O, I pay men for information.

Q. Do you take receipts in those cases?—A. Yes, sir; sometimes.

Q. Don't you always?—A. Not always; no, sir. I wouldn't have the receipts of some men that we take money from on file; that we pay money to rather.

Q. I can understand that, but still what vouchers have you when you draw on the secret-service fund at Washington?—A. We certify to it ourselves, that we have paid out that money.

Q. That is the voucher?—A. Yes, sir.

Q. Is Nettleship one of your chief men?—A. Yes, sir.

Q. Your first assistant?—A. Yes, sir.

Q. How long has he remained with you, sir?—A. Ever since I have held the appointment.

Q. Do you regard him as one of your honest and reliable persons?—A. I do, sir.

Q. Was he with Colonel Wood before he came with you?—A. I think he was; yes, sir, he was.

Q. Did he ever have any trouble there?—A. I have understood that Colonel Wood charged that he did, but his explanation of it don't show anything wrong on his part, and I have been otherwise informed.

Q. Did he have to leave his place under Colonel Wood on account of it?—A. Not that I am aware of. I never heard of it.

Q. Did you ever hear of the transaction in which he was implicated, toward a man named Payne?—A. Implicated?

Q. In which Nettleship was implicated?—A. I have heard of that transaction, but he was in no way implicated in it wrongfully, as I have understood the transaction.

Q. Did you ever investigate it?—A. I have his statement, and I have the recommendation of Mr. Caseby. I don't know as he ever spoke to me of this transaction. He always told me that Mr. Nettleship was a very honest, straightforward man, and I have so found him ever since he has been in the service.

Q. Is the history of the case in the Treasury Department?—A. I couldn't say; I have never looked over the records.

Q. You have been in Washington very often?—A. I don't know any such case. No, sir.

Q. You never heard of it?—A. No, sir; never. I never heard tell that there was any such case there; there may be reports—Mr. Nettleship's reports.

Q. No, no, I mean a report and charge against Nettleship, in reference to a man named Payne.—A. No, sir; not that I heard of. I don't know of any charge of the kind. I never heard of any.

Q. Do you know of Nettleship having been required to pay back moneys to Payne that he had taken from him?—A. No, sir; I think not. I could not tell just what his story is, but it struck me at the time as favorable to himself.

Q. Did you never hear of a charge of the kind against Nettleship?—A. To my recollection I never did. I say I could not say exactly what the story was, but it struck me at the time as very favorable.

Q. Then you did hear of some charge?—A. No, sir; it was a story of his own that he told me, in regard to a transaction of that kind.

Q. He told you that story because some charge had been made against him in connection with the transaction, didn't he?—A. I think not.

Q. Why did he tell it to you then?—A. Well, sir, I couldn't say. He told me the transaction; I couldn't say what for, particularly.

Q. What led him to bring the transaction to your notice?—A. That I couldn't say. I never called on him.

Q. He volunteered it?—A. Yes, sir. I have every confidence in Mr. Nettleship. He stands very high on my force.

Q. I understood you to say you never heard any charge against him in connection with a man named Payne or any other man, the papers in regard to which are in the Treasury Department?—A. No, sir; I never did in my life.

Q. You stated very explicitly that upon going into the Shoe and Leather Bank Mr. Beatty was the first person to speak of the matter of his services in regard to the counterfeit plate on that bank, and not you?—A. To the best of my recollection that is the testimony of the cashier of the bank.

Q. I would rather have yours at present.—A. That is my best recollection; that he is the first man that spoke of it. I had no occasion to speak of it.

Q. I understood you to say, more than once to-day, very distinctly, that Mr. Beatty was the first man to open the subject to the officer of the bank?—A. Yes, sir; I am certain that he did.

Q. Were you present at the Miner trial?—A. Not in court, sir; all witnesses were excluded.

Q. You testified on that trial?—A. Yes, sir; I did.

Q. Then you were present at it?—A. I thought you meant the entire, whole trial. I was there when I was giving my testimony.

Q. Did you hear the testimony of the cashier of the Shoe and Leather Bank?—A. No, sir; but he has sent me —

Q. Did you hear it?—A. No, sir; I did not hear it, but I have read it.

Q. Well, I didn't ask you whether you had or not.—A. I didn't hear it on the stand; no, sir.

Q. What was the name of the gentleman; do you know?—A. No, sir; I cannot tell you.

Q. It was Crane, was it not?—A. That I should think was the name. I am not certain.

Q. I have the testimony here. Perhaps I was mistaken. It may not have been Crane. [Referring to the testimony.] Yes; it was Crane. Without regard to who spoke first did you in any way mention the claims of Mr. Beatty to a reward?—A. I think I did; yes, sir.

Q. Did you mention them favorably?—A. I did, sir; yes, sir. Mr. Beatty insisted, I think, that he ought to have a reward, and I said I had no objection, or something to that effect. I cannot say exactly what at that time.

Q. What did you say in regard to Beatty's services; what did you say in his favor?—A. I cannot say what I said. I recollect that I talked favorably of him; that he had been very valuable in that case.

Q. Who introduced you to the officer of the bank?—A. That I couldn't tell you—that

I was introduced at all. I know we walked in there, and I couldn't say how that was, exactly. It was one time my impression that Mr. Beatty said who I was—called my name. Whether he had ever seen him before I do not know. I am not positive about that.

Q. Then Beatty opened the subject to the officer of the bank?—A. I won't swear, but then I had no such object in going in there.

Q. But you have stated two or three times, and just now you stated that Beatty first commenced the conversation.—A. The first conversation? You said in regard to receiving money.

Q. That Beatty first opened the conversation on the subject of his services with the officer of the bank.—A. Yes, sir; I am satisfied that he did.

Q. Well, I will read now what the cashier said in his testimony: "I can state the substance of the conversation. Two persons called at the bank. One of them introduced himself as Colonel Whiteley, and he introduced the other as detective Beatty. The colonel told me that a quantity of bills or circulating notes, purporting to have been issued by our bank, had been seized, and also the plate, and he spoke of Beatty as having been in some way instrumental in securing both the plate and the bills. He then said that so far as he was concerned, he was a Government officer, and paid by the Government, and that he neither expected, nor could he receive, anything in the way of payment or reward; but that sometimes it was customary for institutions like ours, where a real service had been rendered to the community by suppression of counterfeiting, to make some recognition of such service, and he spoke of detective Beatty as having been, as I remember, the principal man in that work. That was about the substance of it. There was more said about counterfeiting generally, but I think that was about the substance. I told him I would converse with the president of the bank in regard to it. I did so, and the whole matter was referred to me, and I afterward had a conversation with detective Beatty, and gave him a reward.

Q. From whom did the suggestion that it would be proper for the bank to give him a reward come?—A. From Colonel Whiteley."

The WITNESS. I think he was mistaken in regard to that.

Mr. CASSERLY. I want to see if this may not improve your recollection.

The WITNESS. No, sir; I won't change my recollection on that point.

Mr. CASSERLY. Well, we will take it that way, then. "It was very guarded. He did not press it. Whiteley disclaimed any intention on his part to receive any fee or reward, and he was very guarded in urging us to give it. He said it was a matter in our own discretion, which he would not urge, but stated that sometimes this thing was done. Q. Did he say anything about how Beatty was employed in his service?—A. I think he said he had been at a great deal of trouble in regard to the matter. Q. Did he say anything about expenses?—A. I don't think the word was used. [By a juror.] Q. What specific service did he state that Beatty had performed?—A. In connection with securing these bills and this plate. [By the court.] Q. Did he describe the services which Beatty had done?—A. He spoke of his services in securing this plate. He did not explain—merely used the word his services in connection with securing this plate and these notes. Q. Arresting anybody?—A. I don't think it was mentioned."

By Mr. CASSERLY:

Q. After hearing that, do you still adhere to your statement?—A. I did not suggest it, as I did not go for that purpose. I do not recollect. I do not know what conversation led to it. It may have been drawn out in some shape which I can't account for. It was a long time ago, and was a long time between the time of that affair and the cashier. I think he told the truth so far as he recollected it.

Q. You spoke of Beatty as being allied with counterfeiters and their friends in this city. Do you claim that to be a fact, sir?—A. I do claim it to be fact, so far as I have knowledge.

Q. What counterfeiters is he allied with?—A. Miner. He is working for him, and has been working for him in Boston. I know of his being there operating with him—trying to secure testimony to break me down. That I can prove, beyond all question, and I do not presume that Mr. Beatty goes around and pays his own expenses. I have seen him in company with these counterfeiters.

Q. Have you seen him in company with any other counterfeiters except Mr. Miner?—A. Mr. Miner's men that were about there.

Q. Name the man that you say was a counterfeiter that you saw in company with him.—A. I have seen him with Mr. Miner himself.

Q. That you have stated already once, and perhaps twice, now name another?—A. I mean with men who are connected with Mr. Miner, and who are counterfeiters, so far as I understand them.

Q. I want you to name one of them.—A. I could not tell you now just what men, but I have seen him with those men.

Q. Now, Mr. Miner is defending himself against a prosecution, is he not?—A. Yes, sir; he was.

Q. He requires the services of attorneys and witnesses, does he not?—A. Yes, sir; I should think so.

Q. Now, I understand you to accuse Beatty of having gone to Boston to see about witnesses in that case, on Miner's side; is that so?—A. Yes, sir. He went there, and went around abusing me in the most shameful manner.

Q. That is not a crime, is it?—A. Well, under the circumstances, trying to get people to come on here that did not know anything about—he did bring on a lot of people that were paid to come on, so they say.

Q. Is that a crime?—A. Well, it is a crime to pay men, if their evidence—if what they state is not true.

Q. You pay informers every day, don't you?—A. I don't pay them as witnesses—as informers, not as witnesses.

Q. For the proof they bring you?—A. I would not pay it unless I was notified of—

Q. Is that all you have to go on for the grave charge you have made against this man?—A. I know that he was—

Q. [Interrupting] Is that all the charge?—A. I can prove by my man, if I am allowed to put him on the stand, that he has said that Miner was with them, and was introduced to them.

Q. Well, sir, I want you to state what grounds you have, of your own knowledge, for the charge you made against Beatty, of being an associate and the accomplice of counterfeiters?—A. Of my own knowledge?

Q. Yes, sir.—A. I have men who saw Beatty in the room with Miner at different times, and was introduced to him through that party.

Q. What room?—A. Where they had a private room. I think down town where they got witnesses.

Q. Was that a law office of one of his lawyers?—A. No, sir. Down town—over in Taylor's hotel they had a place where my men informed me they manipulated witnesses.

Q. Is that all you know about it?—A. I was not there myself.

Q. That witnesses were manipulated there?—A. Yes, sir.

Q. That is the ground of your charge? Did you ever pay a man for any services in connection with the case here?—A. What services; in what way?

Q. Such as being a spy on the lawyers of Mr. Miner.—A. Being a spy?

Q. Yes, sir.—A. I did not pay men to testify. I may have paid men to do work.

Q. I did not ask that question, observe. I asked you if you had not paid men for acting the spy upon the lawyers of Mr. Miner, in this city?—A. On Mr. Miner; yes, sir; and his parties, I have.

Q. And his lawyers?—A. Yes, sir.

Q. What was his name?—A. Well, sir, I had no less than three men in with them.

Q. Was one of them a man named Hickson?—A. Yes, sir.

Q. Did you send him down to the office of the attorneys of Miner?—A. No, sir; they brought him on here themselves. They picked my man up through mistake.

Q. Didn't he pick them up?—A. No, sir; they picked him up, as I understand, according to his statement.

Q. Didn't he pretend to be in with them and advise with them?—A. I don't know, sir, what pretenses he made to them.

Q. What did he do, then, so far as you understand or believe?—A. I know that he came on here with them.

Q. Didn't he carry to you an account of what was going on in their office?—A. He carried me an account of what they said.

Q. Every day?—A. Yes, sir; every day, almost.

Q. What did you pay for that?—A. I paid him his regular pay.

Q. How many more men had you in that kind of employment?—A. Well, sir, I had about—I had two men there, at least, beside.

Q. Who reported to you, also, every day?—A. Not every day; whenever they got an opportunity they came and gave me the information as to what was going on.

Q. Have you mentioned their names?—A. No, sir; I have not.

Q. Who are they?—A. One was named Mr. Chandler, and the other is named Mr. Barry.

Q. Are they members of your force?—A. No, sir.

Q. What are they—volunteers?—A. They are gentlemen I am acquainted with, and they saw the outrageous manner in which these men were acting there.

Q. Did you pay them for their services?—A. I think I did, a small amount; I just paid their expenses, I believe.

Q. Is it your practice to establish a system of spying upon the lawyers' offices, in cases where you happen to be on the other side?—A. No, sir; this was an extraordi-

nary case; there was some very foul work going on in that case, that I can show if I ever have an opportunity.

Q. You have spoken of Mr. Miner here as a counterfeiter?—A. Yes, sir.

Q. How long has Mr. Miner lived here in this city?—A. That I cannot tell you—how long he has lived here—except from what I have been told, and from what appeared on the trial. It appeared that he had lived here, I think, since 1858.

Q. Isn't he a man of considerable means?—A. Yes, sir; so I am told.

Q. Doesn't he stand well in society?—A. He stands very well, sir, about where he lives, with people that don't know him thoroughly.

Q. You appear to know him?—A. I do, sir.

Q. Isn't he connected with a republican association in one of the up-town wards?—

Q. I understood that he was elected, at the time the trial was going on, as—it seems to me it was—secretary of a Grant association; some of his friends got together and put that up.

Q. They put it up?—A. So I was told.

Q. Just to embarrass you?—A. Well, they thought it would have some influence, I think; that was my idea of it.

Q. You said so much about the Miner trial to-day that I was impelled to make a remark about your own position in it which you questioned at the time, and I think it was in reference to Judge Benedict's charge. I ought to say that you seemed to have misunderstood entirely the allusion of Mr. Beatty to that case yesterday. His allusion was very brief, and so brief that I had no idea what he was referring to—didn't know what case he meant, and shouldn't have known it until this moment had he not handed me a newspaper afterward—seeing my ignorance of the subject.—A. I thought there was an attempt here to state that case, by seeing his lawyers here and a number of Miner's friends who appeared down there on that trial, and I thought that was the main point; and inasmuch as I believed that Beatty was at work for Miner, that was the main object of Beatty's coming on the stand.

Q. I see what your idea is, but, of course, I don't agree with you as to the correctness of it, because I am quite certain that Mr. Beatty's being here as a witness had nothing in the world to do with that, so far as I knew anything of it. Did you hear Judge Benedict's charge?—A. I did, sir.

Q. Don't you remember that he put a very important part of that case—perhaps the part of the case upon which it turned—he put it to the jury on a distinct question of your credibility as compared with the witnesses for the other side?—A. No, sir. If you will read the charge—I did not hear anything of the kind. There was nothing in that charge of the kind that I am aware of. He spoke of detectives as a class.

Q. Well, I will come to that afterward. You spoke of the trunk in which, as you alleged here, and, I believe, alleged upon the trial, Miner agreed to send to you those counterfeit instruments and implements?—A. Yes, sir.

Q. The judge says in his charge: "What was in the trunk we know not; where Beatty got the trunk we know not. Beatty is not produced, but it is stated by Whiteley that Miner admitted that he had possession of the twenty-dollar plate. That is his evidence, and he says when the admission was given and where. On the other side we have two witnesses who were present at the interview, as they say, in the yard. Which do you believe? If you believe those two witnesses, Hyatt and Baldwin—that that letter was written and read in their presence at the time, as they say, it disposes of the statement with reference to the twenty-dollar plate; and the statement given by the detective, if false, is calculated to weaken his credit and justify you in disregarding his evidence."

* * * * *

"The testimony in regard to the appearance of Whiteley, given by these witnesses and by himself, as to the change in reference to his beard or whiskers, is an important fact bearing upon that, enabling you to say whether or not this man or these two men tell the truth here. If the truth was told by Whiteley, in respect to this matter, there is no criticism to be made in that respect upon the evidence of the detective. If the truth was not told his other evidence in the case is to be received with caution. There is, also, another circumstance connected with the twenty-dollar plate, which is to be noticed—that is, the absence of the letter."

Q. I think you spoke of a letter in your evidence in this case?—A. It was not exactly a letter; a few lines.

Q. A letter may consist of one line, may it not?—A. Perhaps so.

Q. "It is part of the statement of Whiteley that Miner having promised to send a baggage-check, which should represent a trunk containing the twenty-dollar plate on a certain day. Whiteley received through the post-office a letter and check. The letter, he says, came from Miner, and he says he destroyed it on the spot. If you believe that story—that statement as he swears to it here—why, then, it goes for what it is worth on the question of intent; but if you do not believe it, and believe that a misstatement was made in that respect, and that there was no letter from Miner, or that the letter was not destroyed, then the fact that the misstatement was made is a fact to

be noticed by you in weighing the evidence of this man."—A. You will find the judge's charge on one side all the way through on account of some reason—if you will read the pamphlet—I can't account for it, and a great many other people can't.

Q. That is your opinion?—A. That is my opinion. I have written an opinion which I have of it in pamphlet form, which I should be very glad, happy to have you read.

Q. You swear to an opinion that the judge was all on one side?—A. I think that charge was on one side, sir.

Q. I call your attention to another short portion of it: "In regard to the detectives I but repeat what has often been said—that as a class their evidence is always to be scrutinized and accepted with caution. I do not say that detectives never tell the truth upon the stand. I do not say that they always misstate upon the stand. What I do say is, that from their occupation, from their calling, living a life of deceit, constantly engaged in the manufacture of this and that and the other story, their statements upon the stand are not entitled to the same weight as those of ordinary witnesses of good character taken from the mass of the community." Is that the portion of his charge to which you referred a while ago?—A. Yes, sir.

Q. The jury found a verdict for the defendant, did they not?—A. Yes, sir; as Judge Pierrepont informed me. Seven of them told me that they did it entirely upon the judge's charge; they thought the man was guilty.

Q. Who is Judge Pierrepont?—A. Judge Edwards Pierrepont; he told me so.

Q. Is he the district attorney who tried the case?—A. Yes, sir.

Q. Why did not Judge Davis try it?—A. Well, sir, Judge Pierrepont stated the reason. I think the reason was that Judge Davis had recently lost his daughter, and he appeared in his place for that reason, I think. That was his statement.

Q. That is a very good reason, of course, if it was the reason. Do you know any other?—A. I know that he was employed.

Q. How is that?—A. I know that he was employed.

Q. That who was?—A. Judge Pierrepont. I don't know what the special reasons were.

Q. Was it any desire of yours that he should try the case?—A. Well, not particularly. I wanted the case tried, and I thought that Judge Davis had so much to do that I thought it might be hastened.

Q. Then it was your wish that Judge Pierrepont should try the case rather than Judge Davis?—A. Not particularly. If Judge Davis would have taken right hold of it, I would just as soon that he would have tried it.

Q. But you thought it would expedite if Judge Pierrepont tried it?—A. I thought so. Yes, sir.

Q. Who paid the fee of Judge Pierrepont?—A. I could not tell you. I suppose the Attorney General.

Q. Do you know anything about it?—A. No, sir; I do not know anything about the fees.

Q. Did you take no interest in the question as to the fees?—A. No, sir. There is some provision of law that I know nothing of, but I understood—

Q. Who retained him to try the case?—A. The Attorney General, I think, of the United States.

Q. On whose suggestion?—A. I couldn't tell you whether it was on Judge Davis's suggestion or not.

Q. Didn't you make any?—A. I talked with the solicitor in regard to it. I was very anxious to have the case go forward.

Q. Solicitor Banfield?—A. Yes, sir.

Q. Did you urge, or suggest the name of Judge Pierrepont to try the case?—A. I cannot say that I suggested it. I know the name was spoken of—whether he spoke of it first or myself I cannot say.

Q. But if you did speak of it you approved it?—A. I did, sir.

Q. And urged it?—A. I urged the case to trial.

Q. And recommended Judge Pierrepont to try it?—A. I was very willing that he should try it.

Q. Didn't you recommend it—express your desire?—A. Yes, sir; to have the case tried at once.

Q. And to have it tried by him?—A. Yes, sir; I was willing Judge Pierrepont should; I was perfectly willing.

Mr. PRATT. You were asked by Senator Casserly if you ever went bail for counterfeiters. You stated that you had, and immediately another question was interposed cutting off an explanation that you were about making. If you have any explanation to make in relation to that matter you can make it now.

Mr. CASSERLY. I would like the witness to say first whether he was cut off by me from making any explanation. I did not understand him to be cut off.

The WITNESS. Not purposely.

Mr. HOWE, (to Mr. CASSERLY.) You said you wanted to get through with the subject of Mr. Whiteman?

By Mr. CASSERLY:

Q. Then I forgot it entirely. You ought to have interposed your explanation.—A. I did that. I will state one case; that will, perhaps, be the shortest way to get at it. In this case of mine we arrested a number of counterfeiters—first a man by the name of Kirkbride, with a quantity of counterfeit money in his possession, and he gave information and made a purchase of counterfeit money of a man by the name of Kean for me under that arrangement. I went his bail. Again I went the bail of Mr. Cole in the sum of \$10,000. He gave me security to go his bail. He understood that if he forfeited it, it was to be turned over immediately to the Government. I did that, acting under the advice and with the consent of the Solicitor of the Treasury, and also Judge Davis. It was done that the case might not come out. It was a very important case, and if we had taken him away from the office, I was afraid that it would leak out, and we would not be able to complete the case. It seemed to be very important to me, and I did it with the sole view to benefit the Government. I did not jeopardize myself in any way to do it. I would not under any circumstances do that.

By Mr. PRATT:

Q. Is that all the explanation you desire to make?—A. Yes, sir.

Q. You were asked whether your license as a pawnbroker was not recalled in Boston on account of some dishonest transaction in relation to a watch. Have you any further explanation to make in relation to that than you have already given? Were there any judicial proceedings had in Boston in relation to the watch?—A. No, sir; none whatever that I am aware of. I never heard of any such thing. It would not have been against me, for I had nothing whatever to do with the matter; I was as innocent of it as though I had never been in Boston.

Q. You were asked whether any person had ever been convicted who was arrested upon information furnished by you. You state that one person in New Jersey had been tried and convicted. You may now state how many indictments are pending which have been procured upon information furnished by you.—A. I can state a large number, but I can't probably state all. I will say that we have pending a large number of indictments—some against smugglers, some against counterfeiters—here now in this district.

Q. That have not been reached for trial?—A. Yes, sir.

Q. What is the trouble?—A. That is the trouble, they have not been reached yet; I do not think they ever will be—that is my private opinion.

Q. You spoke of a great many recognizances or bail bonds which had been forfeited—no suit instituted—what is the reason of that?—A. Well, sir, it is on account, as I understand, of the overburdened docket. I don't think that they ever can be reached. The Government has to sue upon the bond and judgment has to be entered. The bond itself is not a judgment; in my opinion it ought to be a judgment against the property that it might be taken, but in a great many instances here in New York they presented men and the bond is what is called straw bond, and there is no help for it; except they have an opportunity to go and look carefully they will swear it on the commissioner in spite of himself.

Q. Is it within the province of the duties of the secret-service commission to make seizures of books and papers of merchants when you are pursuing smuggled property, or where you are seeking to enforce a penalty for smuggling, or for making false invoices, or for undervaluation; is that within the province of your department?—A. No, sir; not at all. We never make any such seizures; we do not seize in that way.

By Mr. CASSERLY:

Q. You named Cole, a counterfeiter, as one for whom you went bail?—A. Yes, sir.

Q. The object was to use him as a witness in the Miner case?—A. No, sir. I went bail to use him to make a purchase of counterfeit plates, with Mr. Miner, not to use him as a witness. His bail bond was discharged before he went on the stand. Immediately he performed those duties he agreed to, I returned his property to him that he had given me as security.

Q. Didn't he have a strong inducement, or strong interest rather, in having Miner convicted?—A. He could not have had any interest to have had him convicted. He had quite a strong inducement to catch him in the manner he did. That was, his liberty.

Q. Was not he a witness on the trial?—A. Yes, sir; but he was subpoenaed. The consideration for which he was released had already been performed—services.

Q. Was he simply under arrest when you bailed him?—A. Yes, sir. He was under warrant of arrest, and I bailed him before the commissioner. The commissioner came to my office and got it privately, in order to facilitate the matter.

Q. Cole securing you by a certain amount of property?—A. Yes, sir.

Q. My impression is that the judge stated, in his charge to the jury, that the whole transaction gave Cole a strong bias in favor of making proof sufficient to convict Miner.—A. I don't know about that; but if he did state that, I think the judge was

mistaken very much, in accordance with the evidence. I don't think the evidence warrants any such thing.

Q. What has become of Cole, sir?—A. I suppose he is at home here in the city.

Q. He goes at large now, does he?—A. O, yes, sir; goes at large.

Q. Has his offense been compounded?—A. Yes, sir. He has been used as a witness for that service.

Q. It thus far has resulted in nothing?—A. We have got nine more indictments against Mr.—

Q. So far it has resulted in nothing?—A. We have secured a conviction—

Q. [Interrupting.] This counterfeiter is now free and at large?—A. No, sir. He is under bail, heavy bail.

Q. Cole?—A. We captured a set of ten—

Q. [Interrupting.] I mean Cole.—A. You asked me if it was all that was done. I say we captured a set of ten and two dollar plates, and the material for manufacturing large quantities of counterfeit money of the new issue, and a thousand-dollar plate in an unfinished condition, and also a large number of presses, through his instrumentality. It was a very valuable transaction to the Government, according to my judgment. It broke up a very extensive gang of counterfeiters, of which Miner was the head.

Q. So far as the Miner case was concerned, the release given to Cole and the compounding of the felony has resulted in nothing?—A. Except so far as the arrest of Miner and of Ballard, who broke jail, whom I have offered a reward of \$5,000 for.

Q. Is it possible for me to get a direct answer?—A. I said it resulted in nothing except those arrests.

Q. My question is, so far as the prosecution against Miner is concerned, the transaction with Cole, which has resulted in his release and discharge from all liability for the offense, has produced nothing to the Government.—A. No, sir; it has produced a great deal to the Government.

Q. What, in the suit just terminated—by a verdict of the jury in favor of Miner? You understood that that was the suit.—A. He is not convicted yet, but we have nine indictments against him.

Q. But so far as Miner is concerned?—A. He has not been convicted yet.

Q. The composition of Cole's felony has resulted in nothing?—A. So far as Miner's conviction?

Q. Yes, sir.—A. He has not been convicted, but it resulted in a great deal, if I may be allowed to state—

Q. I understand your view about it.—A. I have the plates down there now.

Adjourned to 10 a. m. Thursday, February 8.

The following copies of letters were received on the 10th of January, and ordered appended to Mr. Whiteley's testimony:

TREASURY DEPARTMENT,
Office of the Secretary, January 21, 1871.

SIR: Mr. Banfield, Solicitor, and Colonel Whiteley, chief of the secret service, are of opinion that if the latter were appointed an inspector of customs at New York without pay, in some respects it would be an advantage to the service.

Should you concur in this view of the case, and deem it consistent with your duty, upon public grounds, to make the nomination, it will meet my approval.

Very respectfully,

GEO. S. BOUTWELL,
Secretary.

THOMAS MURPHY, Esq.,
Collector, New York.

CUSTOM-HOUSE, NEW YORK,
Collector's Office, January 25, 1871.

SIR: Respectfully referring to the letter of the Department of the 21st instant, relative to appointment of Colonel Whiteley, chief of secret service, as an inspector of customs at this port, and in accordance with the suggestion therein contained, I nominate, for your approval, as inspector, Hiram C. Whiteley, to serve without pay. I inclose letter of District Attorney Davis in relation thereto.

I am, very respectfully,

THOMAS MURPHY,
Collector.

HON. GEORGE S. BOUTWELL,
Secretary of the Treasury.

TREASURY DEPARTMENT,
January 27, 1871.

SIR: The nomination of H. C. Whiteley as inspector without compensation is hereby approved.

I am, very respectfully,

GEO. S. BOUTWELL,
Secretary.

THOMAS MURPHY, Esq.
Collector, New York.

O

Senate documents

Bd.: [267,g.] 1871, Vol. 4, Part 2 = Congress 42, Sess. 2

Washington, DC 1871

Am.b. 3040-267,g,4,2

urn:nbn:de:bvb:12-bsb11037598-5